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NILS HOGNER. 1944.

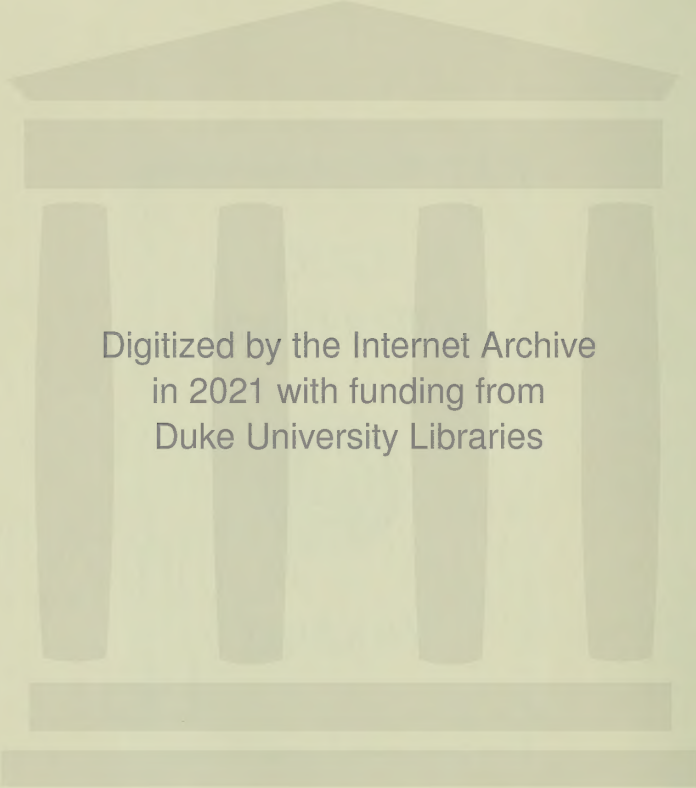
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HENRY MEIGGS

*Yankee Pizarro*









HENRY MEIGGS

(Courtesy Sras. Alfredo Valle-Riestra and Jorge Briseño,  
granddaughters, La Punta, Peru)



# HENRY MEIGGS

## *Yankee Pizarro*

By

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TO MY COLLEAGUES AND STUDENTS OF THE  
NEW YORK STATE COLLEGE FOR TEACHERS,  
TO MY FAITHFUL AND INSISTENT FRIENDS  
WHEREVER LOCATED, AND TO THOSE SCHOL-  
ARS OF NORTH AND SOUTH AMERICA WHO  
GAVE ME ASSISTANCE IN BRINGING IT INTO  
BEING, THIS BOOK IS AFFECTIONATELY AND  
GRATEFULLY DEDICATED





## P R E F A C E

HENRY MEIGGS is one of a type that has become familiar in American history: the man who wanted power and millions and was not much concerned about his means of getting them. But his story has freshness because little attention has been paid him and because of the Latin-American scene of his activities. While many Americans have gone abroad and played roles of significance in the life of other nations, few perhaps equaled Meiggs in the scope of his ideas or in the daring with which he strove to make them actualities. His place in the history of both Chile and Peru is one of considerable importance. The economic and political developments in those countries in the period 1855-1880, during most of which Meiggs was quite prominent in one or both, were of the first importance in their later history. The fact that the War of the Pacific, of greatest significance to both countries, was begun shortly after Meiggs's death, cannot fail to suggest that his activities are worthy of some study.

The reader should be warned that, while attention is largely concentrated on Meiggs and Peruvian individuals and governments with which he dealt, the author is fully aware that Peru was not the sole country that at the time knew corrupt governments and unscrupulous individuals. With some differences of detail, similar stories could be told—many, in fact, have been told—of the United States and of various other countries. To be continually drawing parallels would be tiresome, but let the fact be remembered.

I am indebted to many individuals for encouragement and aid in the extended task of producing this work. Professor William Whatley Pierson first interested me in Meiggs through a lecture at the University of Chicago. The late Professor Percy Alvin Martin, of Leland Stanford University, gave me encouragement and read the entire manuscript, as did also Professor J. Fred Rippey, of the University of Chicago.

Four grandchildren of Henry Meiggs have lent me assistance. Mr. H. F. Meiggs, of Palo Alto, allowed me to use the materials he possessed. Sra. Lucrecia Meiggs de Valle-Riestra and Sra. Fannie Meiggs de Briseño, of La Punta, Peru, generously lent me a collection of letters from their grandfather, most of them directed to their father, Manfred, and provided me with photographs; and Sr. Manfredo Meiggs, of Lima, their brother, gave me what aid he could. A great mass of Meiggs's business papers were put at my disposal by the Peruvian Corporation, of Lima, through the kindness of Mr. Hixson, director of the Corporation, and his secretary, Mr. Hill. These gentlemen were most generous in providing me with facilities for using the papers.

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In Chile, Ricardo Donoso, national archivist and professor of history in the University of Chile, and Dr. Eugenio Pereira Salas, professor of history in the Instituto Pedagógico and a



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W. S.

Albany, New York  
November 27, 1945



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HENRY MEIGGS

*Yankee Pizarro*





# I

## NEW YORK YEARS; CALIFORNIA DEBACLE

THE NAMES of men of resource and daring fill many pages of American history. John Jacob Astor with his "mountain men" drew extensive tribute from the furry fauna of the majestic Rockies and even erected his trading post on the margin of the distant Pacific. Cornelius Vanderbilt, when far past the prime of life, dared to convert into railways a modest fortune gained in shipping and by primitive means made himself one of the country's first multimillionaires. "Diamond Jim" Brady made many millions ruthlessly and squandered them riotously and picturesquely. P. T. Barnum, for whom a "sucker" was born every minute, realized richly on that curious natural phenomenon and for many years amazed and delighted a gullible public. An American hall of fame of a certain type would without hesitation grant space to these men and numerous others of their stripe.

But there is one no less daring than these whom few would nominate for this honor, for his fame is still unsung. He had four lives, all highly dramatic. In New York State, while still a young man, he was twice married and once failed in business. In San Francisco, whither he went with the "gold-rushers," he was a civic and business meteor whose light was shortly dimmed by daring and extensive forgery followed by ignominious nocturnal flight. In South America—in Chile, then Peru—he rebuilt a fortune by intense and often unscrupulous activity, only to find the whole structure crashing about him as he approached his deathbed. In the life of few other Americans was there a more astonishing succession of difficult achievements and complete failures. This truly remarkable,

hitherto unchronicled adventurer was Henry Meiggs. His life embraced the period from July 7, 1811, when he was born in the New York village of Catskill, to September 30, 1877, when he died in the ancient Peruvian city of Lima.

A grandson of Henry Meiggs possesses a curious manuscript written in Spanish and entitled simply "E. Meiggs."<sup>1</sup> Composed at a time when Meiggs's operations in Peru were beginning to come under fire as extravagant and corrupt and when his enemies were circulating stories concerning his previous questionable activities in California, it is highly panegyric and is not to be relied upon. Certain primary facts which it presents, however, seem worthy of acceptance, particularly since corrections were made in various places by Meiggs himself or by someone who was acquainted with the facts of his early life. After establishing the date of Meiggs's birth and indicating his parentage,<sup>2</sup> the writer declares that the father was "an architect and a builder of piers and maritime works," in which he was assisted by his son. The son revealed such activity, aptitude, and faithfulness to his work that at the age of sixteen (here was one of the corrections; originally it was "fourteen") his father one day called him to him and asked:

"Are you capable of managing the lumber establishment?"

"Yes, sir," replied the young Henry.

"Do you promise each week to turn over to your mother *so much*?"

"Yes, sir."

"Very well," replied old Elisha, "from today you are the head of the house and of the establishment."

Whether or not this conversation was ever actually held, it appears from other sources that Meiggs did at an early age go into the lumber business. Samuel C. Upham, who went

<sup>1</sup> Internal evidence proves the manuscript to have been written late in 1871. Investigations have failed to identify the writer. It will be referred to hereinafter as the Meiggs Manuscript. The grandson is H. F. Meiggs, of Palo Alto, California, whose father was Henry Hoyt Meiggs, eldest son of Henry Meiggs by his second wife.

<sup>2</sup> Henry Meiggs's father was Elisha; his mother was born Fannie Williams. (Return Jonathan Meigs, *Record of the Descendants of Vincent Meigs who came from Dorsetshire, England, to America about 1635*, Mimeographed, 1935, p. 53). For Henry Meiggs's marriages and his offspring, see p. 87.

to California about the time that Meiggs did and perhaps knew him there, states that Henry began life at Catskill as a lumber merchant "with the late James Millard, who at the time was one of the most extensive lumber dealers between New York and Albany."<sup>3</sup> From Catskill he went, according to the author of the Meiggs Manuscript, to New York City in 1832, "his spirit and his abilities needing a vaster theater in which to exercise themselves." From the same source it is learned that he left New York for Williamsburg, Long Island, after failing in business in the Panic of 1837. Upham makes the statement that Meiggs moved in 1835 or 1836 from Catskill to Williamsburg, where he went into the lumber business with Minor Keith, his brother-in-law.<sup>4</sup> The Manuscript reveals that Meiggs was for four successive years mayor of Williamsburg. But since the same authority erroneously declares that he was later mayor of San Francisco, this declaration need not be taken too seriously.

Nothing definite is known concerning Meiggs's education. It seems hardly probable that he got beyond grammar school, perhaps not that far, since he went into business at such an early age. His correspondence proves that he knew fairly good, practical English. It is probable that in his earlier years he studied music in some form, for Upham asserts that he was at one time leader of the choir of St. Luke's Church; whether at Catskill or Williamsburg is not indicated. During the whole of his later life he was a lover of music and a conspicuous patron of that art.

During his years in New York State he made both of his marriages. Gertrude Burns, whom he married in 1832, died less than two years later after bearing him a son, William Wardwell. Then, in October, 1837, he married Caroline Doyle.<sup>5</sup>

<sup>3</sup> *Notes of a Voyage to California via Cape Horn, together with Scenes in El Dorado in the Years 1849-'50* (Philadelphia, 1878), p. 145.

<sup>4</sup> *Ibid.* Upham says that Keith married Meiggs's sister Clara, but the Meigs genealogy has it Emily, which is correct.

<sup>5</sup> William Wardwell died in September, 1850. The first two children of the second marriage, Carroll and Caroline, died in 1841 and 1844, respectively. There were four other children—Henry Hoyt and Manfred Backus, born in New York in 1845 and 1848, Minor Keith, born in California in 1852, and Fannie Kip, born in Chile in 1856 (Return J. Meigs, *op. cit.*, p. 87).

It was in entire consonance with Meiggs's daring character that he should have been drawn to California by the Gold Rush of '49. He chartered the packet ship *Albany*, loaded it with a cargo of lumber, and set sail for San Francisco, where he arrived in July, 1849. At once he sold his lumber at twenty times its cost, netting thereby a profit of \$50,000.<sup>6</sup> This daring stroke supplied him with means for future operations.

Then, with commendable discretion—a quality not too often displayed by Meiggs—he took a subordinate position in a lumberyard and studied San Francisco's opportunities before he risked his capital. He foresaw the city's growth and the consequent certain demand for lumber. Skilled in that line by his previous experience, he matured a scheme for a grand success. When all was ready, says Upham,

he hired five hundred men, sent them into the forests of Contra Costa County, felled the choicest trees in that then densely-wooded region, hauled them in saw-logs to the shore of the Bay of San Francisco, built them into huge rafts, floated them to a wharf which he had constructed, converted them into lumber by the agency of a steam saw-mill which he had erected, and made \$500,000 in gold by the operation.<sup>7</sup>

Soon he organized the California Lumber Company, with himself as president, and erected in Mendocino County the largest and best sawmill in the state.<sup>8</sup> Before a year had passed, Henry Meiggs, by superior knowledge of business, by industry and tact, and aided by an agreeable manner, had become a prominent citizen of San Francisco.

Latin Americans later found Meiggs very *simpático*. With his blond hair, his high, spacious forehead and blue eyes, his erect figure, and a body somewhat larger than the average, he presented a prepossessing and striking appearance. He had the further charm of a kindly greeting for everyone. Moreover, his purse was open to every public need and was actively used in meritorious private charity. It is not strange that he quickly became a general favorite among the San Franciscans.

<sup>6</sup> Upham, *op. cit.*, pp. 145-146.

<sup>7</sup> *Op. cit.*, p. 146.

<sup>8</sup> John Shertzer Hittell, *A History of the City of San Francisco, and Incidentally of the State of California* (San Francisco, 1878), p. 218.



His decisions upon business projects proposed to him were always quick and clear, and people came to have great confidence in his judgment.<sup>9</sup>

At no time in his life was Henry Meiggs a mere grubber for gold. He cared for money for what he could do with it—for the position and the power that it gave him. In San Francisco he became a leader in the life of the city. A lover of music, he promoted concerts, bringing many artists to the city, and built the Music Hall on a part of the site later occupied by the Occidental Hotel. He gave an organ to Trinity Church.<sup>10</sup> The author of the Meiggs Manuscript declares that he was instrumental in advancing the means of education of San Francisco's youth. The fact that he was more than once elected a member of the city council indicates the degree to which he received public recognition and enjoyed public confidence.<sup>11</sup> He soon had the reputation of being perhaps the richest man on "The Coast."

Meiggs had the gambler's psychology. He was an optimist, though he left to luck nothing that he could manage by the exercise of his seemingly inexhaustible energy. His venture in bringing a cargo of lumber around the Horn was in itself a gamble of no mean proportions, and its successful issue may well have given him added courage for greater gambles. With no fear of borrowing, he frequently strained his credit in order to strain his luck. The atmosphere of San Francisco in the early 1850's did nothing to discourage such action—quite the contrary. Fortunes were made almost overnight. The whole psychology of the place encouraged one to risk much in the hope—it appeared almost the certainty—of gaining much. Bayard Taylor spent several months in California in the latter part of 1849. He was in and out of San Francisco several times, watched the city's phenomenal growth, and studied the men who composed its population. Concern-

<sup>9</sup> *Ibid.*

<sup>10</sup> Theodore A. Barry and Benjamin A. Patten, *Men and Memories of San Francisco in the "Spring of '50"* (San Francisco, 1873), p. 237.

<sup>11</sup> Samuel Colville, *San Francisco Directory for the Year commencing October, 1856, being a Gazeteer of the City, etc.* (San Francisco, 1856), I, xxxiii.

ing the prevailing spirit of the place and its effect on the individual man, he wrote:

A man, on coming to California, could no more expect to retain his old nature unchanged, than he could retain in his lungs the air he had inhaled on the Atlantic shore.

The most immediate and striking change which came upon the greater portion of the emigrants was the increase of activity, of reckless and daring spirit. It was curious to see how men hitherto noted for their prudence and caution took sudden leave of those qualities, to all appearance, yet only prospered the more thereby. Perhaps there was at bottom a vein of keen, shrewd calculation, which directed their seemingly heedless movements; certain it is, at least, that for a long time the rashest speculators were the most fortunate. It was this fact, no doubt, that seemed so alarming to persons newly-arrived, and gave rise to unnumbered predictions of the speedy and ruinous crash of the whole business fabric of San Francisco. But nothing is more contagious than this spirit of daring and independent action, and the most doleful prophets were, ere long, swallowed up in the same whirlpool against which they had warned others. . . .

It cannot be denied that the very activity of California society created a spirit of excitement which frequently led to dangerous excesses. The habits of the emigrants, never, even at home, very slow and deliberate, branched into all kinds of wild offshoots, the necessary effect of the sudden glow and expansion which they experienced.<sup>12</sup>

In such conditions, is it any wonder that Henry Meiggs should have gambled heavily on the future of the city? While he continued actively in the lumber business, he went into real estate as well. Observing that millions had been made in water lots in the Yerba Buena section, he conceived the idea that he could do equally well in that of North Beach. This land lay less than a mile from the center of the city. It was nearer the Golden Gate than the Yerba Buena region and had a larger area of level land. Moreover, it possessed a water front where ships could anchor securely, though wind and wave were less gentle there than in the Yerba Buena cove. Titles to land in North Beach were better than at any place south of California Street, and land prices were much lower

<sup>12</sup> *El Dorado; or Adventures in the Path of Empire, etc.* (Household ed., New York, 1882), pp. 310-311.

there than in the populated districts. The city must grow, and Meiggs believed that by proper management much of the growth could be turned toward North Beach. Reasoning thus, he bought extensively there and induced his friends also to buy. He filled in a number of lots and built Meiggs Wharf, two thousand feet long, to attract shipping.<sup>13</sup>

As a member of the city council Meiggs was in a position to do something substantial for his interests in North Beach. He caused several streets to be built in that direction, some of them actually touching his holdings, and thus made it easy of access from the business center.

These improvements, along with taxes and street assessments, demanded more money than Meiggs could spare from his lumber business. He had expected that his property would increase in value and that he would be able to sell a few lots at a big profit and thus secure means for going ahead with his plans. The public generally could not, however, be made to believe in North Beach. Besides, just when he had expected to sell—in the spring of 1854—business conditions grew bad; and there was, throughout the city, a serious decline in the price of real estate.<sup>14</sup> The inevitable "great crash in speculation" which Bayard Taylor had predicted four years earlier was upon San Francisco. Meiggs met the difficult situation with enormous strength and resourcefulness. Had he sought to save only himself, he perhaps would have succeeded in doing so. But, "with the ill-judged generosity which was a pervading element of his character, he attempted to save all of his friends, and was by them dragged down into bottomless ruin."<sup>15</sup> Henry Meiggs was a bankrupt, but for the moment he was the sole person who knew it.

From the time when he went into the North Beach speculation, Meiggs was never out of debt. He was constitutionally a borrower, and he raised every dollar he could get, usually at high rates of interest. Scurrying about for money was a large part of his daily business. He said, jokingly, that it seemed an unnatural situation to him if he left his dwelling

<sup>13</sup> Hittell, *op. cit.*, pp. 218-219.

<sup>14</sup> *Ibid.*, p. 220.

<sup>15</sup> Upham, *op. cit.*, pp. 146-147.

in the morning without having to hunt up a loan of forty thousand dollars in the course of the day.<sup>16</sup> He saw, finally, that it would be impossible to save himself by such means. It was then that he determined to resort to forgery.

San Francisco was doing business on credit. Obligations were met by issuing to creditors warrants, or municipal promissory notes, which bore no interest and which were signed by the comptroller and the mayor. The blanks were supplied to the comptroller in book form, and it is supposed that, as a matter of convenience, he was accustomed to signing a considerable number of them in advance. After the mayor, too, had signed, the paper was filled out with the name of the creditor, the amount, the date, and the number, and then was handed to him.<sup>17</sup> Very convenient, but equally careless.

These warrants were considered good security for at least one half of their face value. Meiggs had often legally used them and had found that nothing, generally, was accepted as security with less objection. And, on examining the circumstances, he discovered that there was no fraudulent paper which he could obtain and use with less risk of detection. As an alderman and a businessman of excellent standing, he was a frequent visitor in the city offices. There is reason to believe—the facts were never officially investigated—that Meiggs took a book of signed warrants and, as they were needed, filled in the blanks, in some cases copying the warrants which previously he had legitimately received, so that it would be difficult to distinguish between the original and the fraudulent. Since the warrants bore no interest and there was no fund for their redemption, and since no suspicions were entertained concerning their genuineness, no one took them to the comptroller for examination. Consequently, months passed without the discovery of the forgery.

All the while Meiggs's situation was steadily becoming worse. In order to escape detection, he had to pay interest punctually every month. And, as business conditions in the city grew worse, interest rates went up. His burden of indebtedness accumulated until it reached, according to common

<sup>16</sup> Hittell, *op. cit.*, p. 221.

<sup>17</sup> *Ibid.*, p. 220.



rumor, \$800,000. If that figure is correct, he probably had to pay in interest some \$30,000 each month.<sup>18</sup> As long as interest was paid promptly, his creditors were satisfied to permit the debts to stand, and each of them could imagine that he was the only one to whom the hard-pressed Meiggs was paying heavy tribute.

The business upturn for which Meiggs had hoped did not materialize, and the day came when he saw that the game could not be continued—exposure was certain and imminent. At this juncture a city election was held. Among the newly chosen officials was Meiggs's brother, John G., who had been elected to the office of comptroller. The nomination was secured, says Hittell, by Henry Meiggs's influence, with the hope, perhaps, that through his brother he would be able to manage the forged warrants and prevent his manipulation of them becoming known to the public. It is not supposed that, at the time, John G. knew anything of the forgeries. But any hope that might have been based on the election was vain. The deception could not be kept up until the time when John G. would have assumed office.

The game was played out. Exposure was certain. "Honest Harry" Meiggs had to make his great decision. Should he remain in San Francisco and face the inevitable consequences of his actions, or should he seek another field and begin life anew? One may suppose that he wrestled long and painfully with the problem. The final decision was for flight.

Moral observations at this point are easy. Meiggs should not have committed the forgeries. On that point there can be no argument. He had suffered business failures before and had recovered. He could have done so again. But, having actually practiced forgery and got into the position in which he found himself at the end of September, 1854, it is not so certain that he should have remained to pay the piper. He could readily reason—and his subsequent actions respecting his San Francisco debts indicate that he probably did—that to expiate his crime in prison or at the end of a rope would do little toward repaying those whom he had defrauded. Flight,

<sup>18</sup> *Ibid.*, p. 222.

with freedom and a new start, did offer that possibility. So—flight it was.<sup>19</sup>

It is interesting to notice the explanation of the flight which was later made by Meiggs's Peruvian apologist in the Meiggs Manuscript, derived, quite probably, from Meiggs's own statements to the author. He asserts that "for a second time, and more seriously," Meiggs met with complete ruin,

brought by a series of calamities such as failures, fires, disappearance of debtors, and the endurance of cruel disillusionments. Among the causes of his adversity the greatest was that he had made various loans, which he was justified in doing, but without repayment from many who had been the victims of the sudden changes of the time, and from others who disappeared or died. Thus Meiggs found himself the debtor of many whom he did not know, and the victim of that fury of the crowd which was irritated the more, the more that its irritation was irremediable for the moment and caused, according to them, by him who a short time before had been the idol of the people of S. Franco. . . . Meiggs was dispossessed of everything, even to his pocket watch. But that was not enough, and his spirit, for the first time, weakened under calumny, which obliged him to abandon his beloved home of S. Franco.

This apologist, while he is silent concerning the actual crime of his subject, endeavors to put any possible evil-doing in the best light:

It is necessary to study men like this as one studies great monuments, contemplating them in their entirety. . . . To dissect them, to isolate their acts from their lives, however noble they be, to see this life in detail, is to break the harmony of the whole. To look for the imperfection in what we have of the human is almost to deny the great and the good which is represented to us as an example worthy of imitation. That, apart from being illogical, is absurd.

<sup>19</sup> Colville, in the historical introduction to his San Francisco directory, written about two years after Meiggs's flight, makes an observation which indicates that Meiggs was not the sole, and perhaps not the worst, malefactor of high standing in the city. He says that on February 16, 1853, three delegates were selected from each ward of the city to revise its charter. Those chosen for the First Ward were "Harry" Meiggs, Edward McGowan, and William Carr. "The first, for forgery voluntarily sailed away; the second, for safety from various charges and an indictment for murder, gladly ran away; and the third, for ballot-box stuffing and other villainies [*sic*], involuntarily was sent away by the Vigilance Committee of 1856" (*op. cit.*, p. xxvii).

Our knowledge of the particulars of Meiggs's flight is derived from a statement of Captain Jacob Cousins, who is quoted by Samuel C. Upham in *Notes of a Voyage to California via Cape Horn, etc.* Captain Cousins was master of the bark *America*, in which Meiggs made his escape. Cousins stated that on the twenty-sixth of September, 1854, while he was in the cabin of the bark talking to Captain Wiggins, who was then in command of the vessel, Vickery Seaman, a warm personal friend and a business associate of Meiggs, came aboard. Seaman announced that he had bought the vessel and asked Cousins if he would take charge of her. When asked where the vessel was going, Seaman replied, "Probably to Australia with passengers, and I want you to ballast the vessel and get ready for sea as soon as possible."

The account of the exodus from this point is given in Upham's words, still on the authority of Captain Cousins:

The Captain knew that Meiggs was very much embarrassed financially, and suspected that he was to be the principal passenger, but said nothing of his suspicions, simply accepting the command. The vessel was fitted up just as an ordinary lumber coaster, as far as cabin accommodations were concerned, with very little furniture, and no carpet on the floor. The only extra expense incurred for the comfort of the expected passengers was in furnishing two small state-rooms forward for officers' quarters, and the purchase of a second-hand sofa for the cabin. On the 3rd of October the Captain reported the vessel ready for sea, and about nine o'clock the same evening, Seaman came on board and told Captain Cousins that Henry Meiggs and his family were the passengers going in the ship. At midnight Seaman and the Captain went ashore in the ship's boat alone, landing at Broadway wharf, where they left the boat and went up to Mr. Meiggs' residence. They were met at the door by Mr. Meiggs, who took the Captain by the hand, saying, "Captain, this is hell, but I can't help it." In the house, besides Mrs. Meiggs and her three children, were Ned Seaman, a young man named Gilchrist, a clerk in Meiggs' employ, John G. Meiggs, David Thayer, a cousin of Meiggs, and two servant girls. The party sat and talked until three o'clock in the morning, during which time Meiggs spoke freely of his troubles. As the clock struck three, Captain Cousins announced that it was time they were going on board. Meiggs jumped up, put on his hat, and giving it a knock on

the top, said, "I'm ready." John Meiggs then produced a sack containing \$10,000 in gold, which was emptied out on a table and divided into two equal portions, Captain Cousins taking one-half and Henry Meiggs the other. This is all the money that went on board of the vessel. The entire party then walked down to the wharf, where Gilchrist and Ned Seaman took leave, and the rest getting into the boat, the Captain sculled them out to the bark. In the morning a thick fog hung over the bay, and there was not a breath of air stirring. A tug was engaged to tow them out to sea, but the fog was so dense that they could not find their way out through the Golden Gate, and the vessel was anchored off Fort Point.

About four o'clock in the afternoon they again got under way, and were towed out as far as the North Head. After making a few tacks, the Captain found that the tide was drifting them back into the bay, and he was again forced to come to anchor. At high water, the Captain hove up anchor and drifted out with the tide in a dense fog. Toward morning a light wind sprang up from the land, and by daylight they were half-way to the Farallones.

There they lay becalmed for two days, but the fog was so thick that they felt no uneasiness about being followed. During all this time Mr. Meiggs was calm and cheerful, not showing the slightest sign of excitement. The story about the pistol in readiness to commit suicide the Captain pronounced absurd, as the only fire-arm on board was a revolver belonging to himself, which was never loaded. A breeze finally came, and the vessel was kept away to the southward. After getting clear of the land, Mr. Meiggs, in answer to an inquiry as to where he wished to go, said to the Captain that he might go where he pleased, but that he should like to see some of the South Sea Islands, and then go to Australia or Chili. They first went to Otahiti, where they remained thirteen days, leaving there just three days before the papers from San Francisco, with an account of Meiggs' flight, arrived. They then touched at Pitcairn Island, where they lay two days, and from there sailed for Talcahuana [*sic*], Chili.<sup>20</sup>

Meiggs's flight occasioned a decided sensation in San Francisco and the near-by region. When news of his frauds broke on the seventh, anxious warrant-holders rushed to the comptroller's office to verify their paper. By the sixteenth, Comptroller Harris had found a total of forged warrants of \$365,000, and it was believed that the checkup was not yet complete.

<sup>20</sup> *Op. cit.*, pp. 148-150.



Most of the fraudulent warrants, it was found, had been drawn on the Street Department Fund in favor of Jesse L. Wetmore<sup>21</sup>—whom we shall later find in the employ of Meiggs in Peru. In addition to the city warrants, there were a number of forged promissory notes of individuals. Hittell states that “it is possible that some signatures repudiated as forgeries after Meiggs’s flight, would never have been questioned if he had remained to defend himself. By his course he placed himself at the mercy of some who were worse morally than he was,” persons who, by charging him with offenses which he never committed, avoided the payment of honest debts.<sup>22</sup> It was rumored, too, that he had made a fraudulent overissue of “upwards of \$250,000” of stock in the California Lumber Company on which he raised \$75,000. This rumor has never been proved to be true.<sup>23</sup>

General Isaac Wistar, who went to California about the time that Meiggs went, described the incident from the point of view of the San Franciscans from whom Meiggs had fled. When news of the Meiggs manipulations got around, “pretty much all business was suspended,” and “excited mobs surged about the principal streets in search of the offender.” Wistar writes in terms of high drama—perhaps somewhat overdrawn—of the attempt that was made to overtake Meiggs when it was realized that he had taken to the sea:

At last the time and manner of his flight becoming definitely known, it occurred to someone that the day was without the usual sea-breeze; in fact, that rare condition in San Francisco, a dead calm, prevailed. About the same time, a pilot reported the yacht as tossing helplessly about in the neighborhood of the bar, and a rush was made to the wharves, where, in the absence of steam tugs (not yet introduced) a small steamer was chartered and filled with mad and excited creditors, armed with rifles and shotguns. It required some time to get steam up and the craft under way, and it was late in the afternoon when the schooner hove in sight with all her sails vainly wooing the breeze which came not, and yet was of such vital importance to the fugitive. But

<sup>21</sup> *San Francisco Daily Evening News*, Oct. 16, 1854.

<sup>22</sup> *Op. cit.*, p. 222.

<sup>23</sup> *Ibid.*, p. 223.



when the steamer was nearly within gunshot and the prey almost grasped, the long deferred airs of evening began to mark the glassy surface with gentle ripples, and the large sails of the yacht slowly filled and swung out her idle booms. Gradually but surely she gathered way, and as the shades of night slowly shut her out from the eager eyes on board the steamer, she was last seen lying over to a swelling breeze, which could not have arrived more timely to save the life of a pious missionary or self-sacrificing saint.<sup>24</sup>

A San Francisco newspaper, reporting the pursuit, states that the steamer sustained a crippled wheel before it got outside the harbor and was, consequently, unable to proceed. Then a gale arose, and all thought of pursuit was given up. So, the Meiggses escaped "with their ill-gotten gains."<sup>25</sup>

A word further regarding those "ill-gotten gains." It was said at the time that Meiggs carried away a large sum in gold. But it seems highly improbable that he took more than the \$10,000 mentioned by Captain Cousins. If Meiggs had been able to secure as much of the precious metal as he was said to have carried off, it would seem logical to believe, in view of the great efforts he made to raise money for his creditors, that he would have given it to those creditors, he himself still hoping for a "break." Nor do the scanty data which we possess concerning Meiggs's early years in Chile justify the belief that he carried away hundreds of thousands in gold. After the fashion of rumors, the \$10,000 which he actually took, with a few repetitions of the story, could very easily be magnified many times over.

So, in the closing months of 1854, Henry Meiggs found himself an expatriate who had fled his native land, and not a moment too soon. His lack of moderation, his overweening optimism, and his willingness to take a gamble—even to the extent of making himself a criminal—had betrayed him. At

<sup>24</sup> Isaac Jones Wistar, *Autobiography* (Philadelphia, 1937), pp. 321-323. Though he does not directly say so, Wistar may well have been an eyewitness of the incident which he describes.

<sup>25</sup> *San Francisco Daily Evening News*, Oct. 16, 1854. Other San Francisco papers, the *Daily Alta California* and the *Daily Placer Times and Transcript*, for several days gave much space to this sensational happening.

the age of forty-three, at the zenith of his powers, he saw the very foundations of his life slip from under him. The future must have appeared very dark to him as the *America* drew away from the Golden Gate. Mentally, as well as physically, he was at sea.

## II

### REBUILDING A LIFE IN CHILE

ON A DAY in February or early March in the year 1855, the bark *America* dropped anchor in the port of Talcahuano, in southern Chile.<sup>1</sup> Shortly thereafter her passengers went ashore, happy no doubt to quit the narrow confines of the vessel which had been their home for the preceding five or six months, but anxious too concerning their fate in the new country. Henry Meiggs, the future "Conqueror of the Andes," thus arriving in Chile as a fugitive, brought with him little capital other than his indomitable will and his self-confidence, now perhaps a bit weakened.

Meiggs and his family could scarcely have found themselves in an enviable state financially when they landed in Talcahuano after their months of wandering in the South Pacific. It has been said, probably erroneously, though it is a romantic idea, that Meiggs obtained his first few meals in Chile "by pawning his watch."<sup>2</sup> How convenient, and how omnipresent this watch—apparently the same that its owner had disposed of in San Francisco, according to his Peruvian apologist, in a vain effort to satisfy his creditors!

Financial difficulties were not the only cares with which Meiggs had to contend during those first months in Chile. No sooner had the news of his whereabouts reached San Francisco than a movement was started to secure his extradition. Already the grand jury of the county of San Francisco had returned

<sup>1</sup> The exact date is not known, but the *Daily Alta California*, in its issue of March 27, 1855, makes mention of Meiggs as being in Concepción, Chile. It must have required very nearly a month to make the voyage directly from Concepción to California.

<sup>2</sup> *New West Coast Leader* (Lima, Peru), July 31, 1923, p. 13.

against the fugitive a true bill of indictment for the high crime of forgery. When it was learned that he was in Chile, Governor John Bigler, of California, took action. On May 3, 1855, he wrote a letter to D. A. Starkweather, minister of the United States in Chile, enclosing a certificate of the indictment and asking that Starkweather endeavor to secure extradition from the Chilean government. The Governor also suggested that the American consuls in Valparaíso and Talcahuano had power to remit criminals to their country for trial.<sup>3</sup>

The suggested procedure, as well as that of the Governor, was quite irregular. There existed no extradition treaty between the United States and Chile, and it was, of course, highly incorrect for the governor of a state of the Union to go directly in this manner to a representative of his country in a foreign capital. The proper procedure would have been to make application to the Secretary of State at Washington. But the Governor, as well as Starkweather, justified his action on the ground of the circumstances of the case—the extent of the forgery, the isolated position of California (one must remember that the “Pony Express” was the swiftest existing means of communication between California and the East), the length of time necessary for a correspondence, and the fact that the crime was against the state laws of California, “herself a sovereign State.” Starkweather declared that at the time of Meiggs’s arrival at Talcahuano he had been approached in various ways by interested parties on the possibility of obtaining Meiggs’s arrest and extradition. But, since he then had no instructions from the home government nor legal proof of the man’s guilt, he had not thought it wise to take any action.<sup>4</sup>

Governor Bigler’s letter altered the situation. Starkweather immediately made application to the Chilean Minister of Foreign Relations, Antonio Varas, for Meiggs’s extradition. On August 16, 1855, he wrote:

I am perfectly aware, Your Excellency, that, there being no Treaty

\* For this letter and a copy of the indictment of the grand jury, see MSS, Archivo Nacional de Chile, Gobierno y Agentes Diplomáticos de E. U. de Norte América en Chile, 1850-1855, IV.

<sup>4</sup> Starkweather to Marcy, Secretary of State, Santiago, Sept. 14, 1855 (MSS, Department of State, Washington, Despatches from Chile, XI, No. 14).

of Extradition between Chile & the United States, the requisition I am making upon your Government can only be granted under comity of nations; yet the heinousness of the crime, & the fact that there are an extradition convention between our governments, the demand would be one of simple right—a right almost weekly exercised between the United States and Great Britain—seems to warrant that that comity be extended to us in the present instance.<sup>5</sup>

This was the first case of extradition in the history of Chile. After consideration, the minister decided that extradition should be granted in case the Supreme Court of the republic, to which he presented the question, should decide that in similar circumstances in Chile an action would lie against the accused. The court did so decide, and, pursuant to his promise previously given to Starkweather, Minister Varas issued to him a certificate of extradition and an order for the arrest of Meiggs.<sup>6</sup> These were handed to Starkweather on August 27. Immediately he dispatched Frederick Beelen, of the staff of the Legation, to Talcahuano and Concepción, at one or the other of which cities Meiggs was thought to be residing.

But Beelen was unable to find his man at either place. Apparently Meiggs was forewarned. Then, as the American minister records in his report to Washington, the agent

took such steps as would lead to his immediate arrest, in which event he authorized the Intendente [local Chilean official] to send him under guard to Valparaiso there to be placed at the disposal of the United States Consul. I propose [the minister continued] that he should remain in custody in Valparaiso, until a proper person shall be sent by Gov. Bigler to accompany him to California.<sup>7</sup>

In the archives at Santiago and Washington there is but one later reference to this matter. This is contained in a note which on March 4, 1856, Starkweather addressed to Sr. Varas, the gist of which is this tantalizing paragraph:

Circumstances have occurred, and information been received at this

<sup>5</sup> MSS, Archivo Nacional de Chile, Gobierno y Agentes Diplomáticos de E. U. de Norte América en Chile, 1850-1855, IV.

<sup>6</sup> Starkweather to Varas, Santiago, Aug. 21, 1855 (*ibid.*). See also Starkweather to Marcy, Sept. 14, 1855 (*loc. cit.*).

<sup>7</sup> Sept. 14, 1855 (*loc. cit.*).



Legation which influence me in requesting that Your Excellency should forward to the several Intendentes to whom you may have given orders for the arrest of Henry Meiggs, the California fugitive, that they should suspend all execution of that order, until I may reiterate my request for his apprehension; that, in short, there should be a simple suspension of all action against him—<sup>8</sup>

One would like very much to know something more about these "circumstances," this "information." But the public records of Chile have been searched in vain for clarification. A statement has been encountered to the effect that Meiggs was able to avoid extradition by securing the services of some very skilful lawyers; but that is all, and it is not official. Neither does it appear to harmonize with the statements of Starkweather which have been quoted. A wide field of speculation is offered, but it would be profitless to exploit it here. It seems a fairly safe supposition that Sr. Varas, some six years later, thanked his lucky star that Henry Meiggs was still in Chile and not rusting in a California prison.

On May 27, 1856, Starkweather and Varas signed at Santiago a treaty of amity, commerce, navigation, and extradition.<sup>9</sup> It may well be that the Meiggs incident had some influence in the drawing of this document. It was later ratified by both countries.

Details concerning Meiggs's first few years in Chile are not abundant. Benjamín Vicuña Mackenna, eminent Chilean historian, wrote that for a number of years he lived in Chillán almost in misery, and that he commenced to earn some pesos and gain considerable credit by building on contract some sections of the Southern Railway, a unit of Chile's program of railway development. This historian also wrote that "exaggerated stories" of Meiggs's California history followed him to Chile and for a time greatly interfered with his getting ahead.<sup>10</sup>

<sup>8</sup> MSS, Archivo Nacional de Chile, Gobierno y Agentes Diplomáticos de E. U. de Norte América en Chile, 1856-1858, V.

<sup>9</sup> MSS, Department of State, Instructions to Ministers, Chile, XV, 138-141.

<sup>10</sup> Vicuña Mackenna to Bartolomé Mitre, Santiago, April 8, 1864; Ricardo Donso, "Una amistad de toda la vida, etc.," *Revista Chilena de Historia y Geografía*, L, 80-83.

In 1857—interesting stroke of fate!—the same John Bigler who, as governor of California had asked for Meiggs's extradition, was appointed minister of the United States in Chile. The appointment was probably due to the fact that there were many thousands of Chileans in California, many of whom were having difficulties with the Americans,<sup>11</sup> and that it was considered wise to have at Santiago a man who was familiar with the situation. It should be added that there was at this time a brisk trade in foodstuffs from Chile to California.

The new minister arrived at his post in April of the year mentioned. Far from injuring Meiggs, the coming of Bigler was a positive advantage for him. Bigler, a kind-hearted man, was disposed to look on the better side of Meiggs's life. It is quite probable that he had known Meiggs in California and had come under the spell of his personality. At any rate, after coming to Chile he recognized him and treated him in a friendly manner. This act of generosity had a favorable effect on the feeling of the Chilean people toward the struggling American. Some evidence of Meiggs's appreciation of this kindness appears in a letter which he wrote fifteen years afterward to a Californian of Sacramento. Meiggs, then at his apogee in Peru, used the expression "my esteemed friend Gov. Bigler."<sup>12</sup>

However difficult may have been those first years, it is certain that Meiggs was not idle. Always his mind, as well as his body, was restless and tireless. His sixth sense enabled him to see opportunities for money-making, and a timorous doubt of the outcome of his ventures never plagued him. Already Chile had started the building of its network of railways, but the work was proceeding very slowly. It may well be, as

<sup>11</sup> One such, though scarcely typical, was the bandit, Joaquín Murieta, whose career had been brought to an end a short time before Bigler's appointment. For this remarkable man's life, see *Suplemento de Excelsior*, No. 1, Santiago, Aug., 1936.

<sup>12</sup> To John Corning, Lima, May 13, 1871 (Meiggs Papers, Letter Book 3, p. 289). These papers, a mass of manuscript material relating to Meiggs's business affairs after he went to Peru, are in the possession of the Peruvian Corporation, Ltd., of Lima, Peru. They consist of some fifteen letter books of five to seven hundred pages each, a half dozen or more large cash books, bundles of canceled checks, manuscript copies of contracts, and the like. They will hereinafter be referred to as the Meiggs Papers.

the author of the Meiggs Manuscript declares, that Meiggs studied deliberately the economic situation of the country and, realizing the great importance of railways, saw in them his opportunity.

His first contract of any consequence was for the building of the Maipó bridge, on one of the difficult sections of the Southern Railway then being built southward from Santiago. He was at this job in 1858 and, after some trouble, due to high waters and the carrying away of parts of the structure after they had been put in place, he completed it in a very satisfactory manner. Vicuña Mackenna makes the statement that he gained by this contract 50,000 pesos.<sup>13</sup> Then, with this rather unsubstantial capital, but with credit which by this time he was able to command to a certain degree—and more particularly with the reputation which he had earned of being a man who got things done—he took a contract for the completion of the Southern Railway from Maipó to San Fernando, a distance of some ninety miles. So skilful was he in organizing the work, so able in the management of money and men that, in a very brief time, he fulfilled his contract. And, with the completion of that contract was matured his prestige as a railroad man and an able contractor. It was the necessary prelude to his work on the Santiago-Valparaíso Railway.

According to a Chilean writer, this railway was first conceived in the mind of William Wheelwright, of Massachusetts, when he was in the country in 1842.<sup>14</sup> Wheelwright made surveys and tried to form a company for building the road but was not successful. His activities, however, brought the matter prominently to the attention of the Chileans; and after much discussion and many maneuvers, financial and otherwise, a company was formed to undertake the work. It was capitalized in the amount of seven million pesos, which, it was optimistically hoped, would be adequate for the project. A little more than two thirds of this capital was furnished by private individuals, the remainder by the government. Ground was broken at Valparaíso on October 1, 1852.<sup>15</sup>

<sup>13</sup> Letter to Bartolomé Mitre, cited above.

<sup>14</sup> Ramón Rivera Jofre, *Reseña Histórica del Ferrocarril entre Santiago i Valparaíso*, etc. (Santiago, 1863), p. 9.

<sup>15</sup> *Ibid.*, pp. 47, 51.

Delays dogged the work. Two chief engineers died after relatively short periods on the line. Then William Lloyd, an Englishman, took the post. After a great deal of work had been done on the route Viña del Mar-Concón, that route was abandoned and a new one by way of Limache adopted. Loss consequent to the change was three hundred thousand pesos. By 1857 the line had been completed as far as Quillota, considerably less than a third of the distance to Santiago. At that point the project bogged down. Funds were exhausted. Engineering difficulties developed again, and engineers waged a bitter war over the question of the proper route. There were other sources of delay and trouble—the system of making contracts for the building of short sections, the frequency with which such contracts were rescinded, the litigation that followed such action, the incompetence of contractors in this sort of work. Perhaps the fundamental cause of this distressing state of affairs was hit upon by the person who, in the Santiago newspaper *El Ferrocarril* (*The Railway*), under the heading “Public Works,” wrote in January, 1858:

This branch of the administration has been the victim of an evil which has afflicted many others: as the instability of measures taken, the general lack of well-conceived and well-applied systems, and the habit of abandoning things when half done. In Chile it is the current practice (without blaming anyone in particular) to quit undertakings without giving them the last touch; before finishing them we are seized with discouragement or our enthusiasm is exhausted.<sup>16</sup>

At length, private initiative having given sufficient proof of ineptness, the government bought out the individuals who held shares in the railway. The section Valparaíso-Quillota, however, was left in the hands of the original directorate. There had been a period of four years of complete—one might say *desperate*—inaction, of absolute lack of progress. It seemed to the Chilean people that their railway would never be completed. At this moment Meiggs came forward. He had proved his mettle on the Maipó bridge and the Southern Railway. Here, it appeared, was the man who could accomplish the seemingly impossible task.

<sup>16</sup> Jan. 8, p. 2.



Vicuña Mackenna gives this account of the interview between Antonio Varas, then Minister of the Interior, and Meiggs in the course of which the terms for the completion of the work were agreed upon:

One night the Minister of the Interior, Señor Varas, called to his house Don Enrique Meiggs for the purpose of discussing for the last time the execution of the plans, profiles, prices, etc., of the gigantic work which was to be done. Meiggs had visited the entire district, mounted on a mule, and he informed the Minister that that visit was all the plan he needed on which to base his prices.

Then the Chilean began the *haggling* (*regateo*).

"It will be a question of six, seven, or eight millions."

Meiggs drew out his pencil, made a lot of figures on the cuff of his shirt, without asking the Minister's permission, and then said to him:

"Mr. Minister, here is my ultimatum: I will do the work in three years for six million pesos; but if I conclude it within that period, your lordship will give me as a bonus a half million pesos and a further ten thousand pesos for each month by which I advance the date agreed upon."

"Agreed!" exclaimed the Minister with gallant spirit, and threw all the plans under the table.

Then they both signed the contract.

This took place the night of September 13, 1861. On the 14th Congress approved the contract, and on the 16th the industrious intendant of Santiago, Bascuñán Guerrero, laid the first stone in the station at Santiago. A week later—the 1st of October—four thousand men were in the four sections established on the line. The voice of Mr. Meiggs was like the whistle of the locomotives: it was heard in the whole region.<sup>17</sup>

With some minor corrections, this appears to have been substantially what happened. It is probable that Don Enrique himself gave Vicuña Mackenna this account, since they were very good friends. The necessary corrections are these: The lump sum of \$/500,000 (pesos) was to be paid Meiggs if he finished the road in a period not greater than four years; the \$/500,000 bonus if he finished it in less than four years; and

<sup>17</sup> *De Valparaíso a Santiago; datos, impresiones, noticias, episodios de viaje* (2d ed., Santiago-Valparaíso, 1877), pp. 277-278.



a \$/10,000 bonus was to be paid him for each month by which he anticipated the period of three years.<sup>18</sup>

The terms do not seem exaggerated. The government was to pay for the work only as sections were completed and turned over to it ready for use.

Many persons who have left some record of Henry Meiggs have made mention of his fondness for adages. One of his favorites was "Time is money." No other so well fitted the situation in which he now found himself. And the most devout and conscientious divine never better lived his sermons than Don Enrique lived this homely adage in the course of the next two years. Not a single day did he rest. The work needed the impulse of his driving energy and his vigilance, his constant contact with the superintendents and the workers.

Henry Meiggs seldom failed to make himself liked. He soon gained the confidence of his workmen and, as a Chilean writer expressed it, "made them docile toward work." In all, about nine thousand Chileans were employed on the enterprise. The technicians and superintendents of sections were, in general, foreigners of various nationalities, but common laborers were Chilean *rotos*.<sup>19</sup> Meiggs determined to complete his task in two years, and in order to succeed he needed the fullest and most willing co-operation, from the laborer most of all. He had already had sufficient experience with the *roto* to learn his character and the best means of keeping him faithful to his task. He never used him as if he were a slave—not infrequently the treatment to which he had been accustomed—but rather as a fellow-man, a partner in the enterprise, the *empresa*. He paid him punctually and honestly, so honestly, it is said, that the peon never bothered to count his money when it was handed to him on payday.<sup>20</sup> He did not permit him to be punished by physical violence. The first condition imposed upon his subordinates was that their contracts would be rescinded if they mistreated the laborers.<sup>21</sup> He is quoted as having said, "Three things the Chilean peon needs

<sup>18</sup> MSS, Archivo Nacional de Chile, Ferrocarriles, LIX (1862-1863).

<sup>19</sup> Rivera Jofre, *op. cit.*, p. 130.

<sup>20</sup> Vicuña Mackenna, *Valparaíso a Santiago*, pp. 378-379.

<sup>21</sup> Rivera Jofre, *op. cit.*, pp. 104-108.

in order to be the best worker in the world: justice, beans, and pay."<sup>22</sup> These three necessities Meiggs provided, and the workers responded quite willingly.

The entire work was divided into four sections, each section into several subdivisions, each subdivision having its group of laborers, or *faena*. It is of some interest to notice the organization and manner of operation of one of these camps. Around the house of the superintendents and engineers were grouped in disorder or arranged in narrow little streets hundreds of huts where the laborers lived with their families. At daybreak a bell located on an elevated point gave the signal for work, and all went with their tools to their respective occupations. At eight o'clock they had breakfast and a half hour of rest. At twelve they took dinner. This meal was an abundant one, its base being beans cooked with grease and pepper—so well cooked that, it is said, the *roto* preferred beans to meat. After dinner an hour and a half was devoted to the *siesta*. Then, after working until sunset, each man received for his last meal of the day one or two pounds of bread. The bell called them to sleep at nine o'clock in the evening and after that moment all had to be in their clay and cane huts. Sunday was usually devoted to games, *monte* being that which most of the men preferred. By means of this game often in a single day some thousands of pesos changed hands. Particularly was this true of Saturday, for that was payday, and in some *faenas* the pay roll amounted to as much as twenty thousand pesos. Each *faena* had its big dances, and the harp and the guitar resounded in improvised theaters. Not a bad or a dull life, as the Chilean writer Hernández describes it.<sup>23</sup>

By various devices the laborer was encouraged to put forth his very best effort. One of these is illustrated by a story that is told of Abner Pierce, a superintendent who had charge of the Maquis tunnel section. This tunnel had caused trouble and delay, and Pierce was receiving daily messages from Meiggs urging him to speed the work. The superintendent

<sup>22</sup> Vicuña Mackenna, *Valparaíso a Santiago*, pp. 378-379.

<sup>23</sup> Roberto Hernández, *El roto chileno; bosque histórico de actualidad* (Valparaíso, 1929), p. 88.

determined to make every effort to finish his job quickly. To this end he carried his bed up to the hill, brought together all the miners of the nearer *faenas*, and secured a supply of forty tons of blasting powder. He then announced to his *rotos* that if light could be seen through the tunnel by the first of January, 1863, he would give them a big lunch—*well moistened*. At twelve o'clock midnight of the thirty-first of December—for they had been working night and day—a blast broke a crack through the rock in the center of the tunnel which obstructed the workmen as they advanced from either end. And in the act itself the *fiesta* began.

Pierce had two fat steers killed and gave to the cooks as many onions and as much rice and potatoes as could be put into all of the kettles of the *faenas*, which were more than fifteen. He then had kneaded and made into bread fifty bushels of flour and, most important, brought up to the cut a troop of mules laden with more than fifty gallons of *aguardiente* and almost a hundred of *chacoli*. At twelve o'clock on January 1 the lunch was eaten—and at two in the afternoon every laborer was stretched on the ground, overcome by “the most profound and universal drunkenness.” The sole precaution that Pierce had taken was to require each peon, before he went to the feast, to deposit his knife in the warehouse of the *faena*.<sup>24</sup> By such heroic measures Meiggs transmuted into money his time and that of his workmen.

So rapidly did the work advance that on the Fourth of July, 1863, Meiggs was able, in commemoration of the independence of his native country, to run the first engine along the entire extent of the line from Quillota to Santiago. (Would the contractor's patriotic enthusiasm have been greater if he could have known that on the previous day General Lee had been defeated at Gettysburg and that on the very day itself Vicksburg was being surrendered to General Grant?) The appearance of the engine and the shrill blast of its whistle were welcomed at Santiago with wild rejoicing, auguring as they did the early opening of the line to regular traffic. It seems that even the elements were conspiring to aid Meiggs, for the

<sup>24</sup> *Ibid.*, pp. 86-87.

Chilean chroniclers tell us that the winter of 1863 was an exceptionally mild one, permitting work to go forward free from delays due to bad weather.

Everything was ready for the inauguration of the completed work in September, and Meiggs, always dramatic when drama was possible, set the date for the fourteenth—exactly two years to the day from the date on which his contract had been validated. The contractor well understood the love of the human heart for pageantry, and he contrived on this occasion to put on a good show. The stages therefor were the stations at Valparaíso, Santiago, and Llai-Llai, the last located at a point about halfway between the other two. Special trains starting at the same hour, about nine o'clock in the morning, from the first-named points, were scheduled to arrive simultaneously about noon at the third. Here at Llai-Llai had been erected tables sufficient in number and size to seat several hundred guests, and a grand banquet had been prepared.

Fitting ceremonies were held at Santiago and at Valparaíso. At the entrance to the station at Santiago, under a pavilion of flags, two platforms had been erected. On one, a short time before the train was scheduled to start its run, the president of the republic stationed himself with his ministers. On the other, the Archbishop of Santiago, the Bishop of Concepción, and various members of the clergy who accompanied them, placed themselves. At the prearranged moment the Archbishop said a prayer, a hymn was sung, and then, possibly as a sort of grand amen, a cannon was fired, and the train was off for Llai-Llai.<sup>25</sup> Meiggs's friend Vicuña Mackenna declared that while these ceremonies were being performed, so great was Don Enrique's emotion that he "cried like a child."

Other ceremonies marked the meeting of the trains at Llai-Llai. Then the participants found their places at the banquet tables. It was a dinner of many dishes and many toasts. The President gave a toast. The ministers gave toasts. Practically everyone of any consequence gave a toast. One of the last was that of Minister Varas, who toasted the contractor. It was

<sup>25</sup> Rivera Jofre, *op. cit.*, pp. 142-143.



then the turn of Meiggs himself to take the floor. He did so and delivered a lengthy address.

First, in English, he drew a parallel between the grandeur of the Chilean struggle for independence—terminated in 1818 through the joint leadership of the Chilean O'Higgins and the Argentine San Martín—and the building of the railway. By implication Minister Varas and he were the O'Higgins and the San Martín of the railway struggle. He declared that the railroad was, perhaps, in magnitude and importance, inferior only to that great work of the heroes of independence. He followed this comparison with a well-phrased tribute to the government that had aided him so loyally, especially to Minister of Interior Varas. "It is true," he said, "that the people of Chile have treated me like a brother." Then, shifting linguistic gears, he continued in Spanish with his much-quoted tribute to the Chilean *roto*. This tribute, all things considered, must have created a small sensation. Although later Don Enrique may have changed his mind about the *roto*, then, certainly, he had reason to feel toward him what his words indicated he felt. His tribute was delivered in these words:

And now, gentlemen, I desire that all listen to me with attention. Not all of the honor of this railway belongs to me; it belongs in its greatest part to the laborers who with such intelligence have aided me, from the peon class upward. When I undertook this work everybody exaggerated and warned me of its insuperable difficulties. They said to me: "You cannot manage the workmen here, for they are ungovernable and insubordinate." This prophecy, gentlemen, has not been realized in the execution of this railway. All of the Chilean artisans and peons have worked, obeying always the voice of honor and of duty. I have treated them, it is true, like men and not like dogs, as is the custom, for they are good if one knows how to direct them. It is known that I do not go about armed: arms are not necessary for my defense, because my workers have never offered me any offense. It has happened many times that I have gone among peons who were bloodily fighting with knives: "Quiet, boys; let's have peace," I said to them, and on the instant they separated. Here in Chile a different law operates from that which is observed in the United States. Here a wealthy laborer and an industrious artisan are not admitted, they are regarded with disfavor in our great houses, merely because they are



laborers; in the United States, on the contrary, the industrious man is worthy of general appreciation, he is heaped with honors and consideration, and his friendship is sought by all. There, it is not the dress but intelligence and activity which raises one to high positions and conquers for him universal esteem. In Chile I should like to see the same thing happen, since, I repeat, in the Chilean workers I have noted much intelligence, much sense of honor, and great activity. I have seen them direct themselves and, even so, surpass the foreigner. Any time I undertake railway work, I should prefer to work with five hundred Chilean laborers rather than a thousand Irishmen, for the latter generally are rebellious and are capable even of assaulting those who direct them if there should occur a deficiency in the food, or if, involuntarily, there should be a failure in fulfilling the contracts. I have finished, gentlemen, full of joy the colossal work confided to my endeavors; but the triumph is not mine alone; I have had ardent assistants, and it becomes my duty to allude in these circumstances to the illustrious supreme chief of the state and to his Minister of the Interior, whose generous efforts for the completion of this work are well known.<sup>26</sup>

The great and the wealthy of Chile must have received with mixed feelings the Yankee's frank lecture on the proper treatment of the *roto*, with the suggestion of social reform involved in his comparison of the workingman's situation in Chile and in the United States. Perhaps the suavity of Meiggs's other remarks sweetened this disagreeable pill. At any rate, it cannot be denied that his influence was exerted toward bettering the status of the Chilean proletarian, that he did extend to him decent and just treatment, and that the *roto* rightly felt gratitude toward him. Whether Meiggs was or was not at this time *consciously* building up for his future projects—and it is not illogical to believe that he was—the reputation which he made with the Chilean workman was later of great value to him.

One should not fail to remark Meiggs's skill in ingratiating himself with the people he dealt with, not alone highly placed individuals, but whole classes of society as well. His entire South American career proves him a master of the psychology of the Hispanic-American. In passing, a case in point may be mentioned. Beside the railroad, in the mountains where the

<sup>26</sup> Rivera Jofre, *op. cit.*, pp. 142-145.

line passes through the scene of the revolutionary battle of Tiltil, he caused to be erected at his own expense a statue of the hero of the battle, General Manuel Rodríguez.<sup>27</sup> It is certain that this act did not injure his standing with the Chilean public. His knowledge of psychology, added to his very attractive personality and his imposing figure, constituted a most effective combination for his personal relationships, whether public or private.

The speed with which Meiggs completed the Santiago-Valparaíso Railway astounded the Chileans and gained for "Don Enrique," as he now came to be called, a South American reputation as a railway builder. Small wonder, indeed, that his achievement should have aroused such extravagant enthusiasm. Meiggs had built in two years more than two thirds of the road, including the most difficult sections, whereas on the part from Valparaíso to Quillota a long succession of engineers and contractors had expended *nine years!*

The completion of the Santiago-Valparaíso Railway was an achievement which a grateful people and an appreciative government credited in very large measure to the genius for direction of Henry Meiggs. Meiggs's self-confidence was completely restored, and he was able now to dream of a trans-Andean road that would connect Santiago with Buenos Aires. Moreover, as early as 1862 he was giving some thought to Peru, still practically a virgin field for railway exploitation. It had been but slightly violated by the building of the short lines which united Callao with the capital and Arica with Tacna.

After his amazing success in completing the Santiago-Valparaíso Railway, Henry Meiggs had an assured position in Chile—not merely economic, but social as well. And it ought to be said without further delay that with a part of the more than a million pesos which he had cleared by his last railway venture he did something toward bettering his moral credit and weakening the bad financial odor which he had left behind him when he fled from San Francisco eight years earlier. Vicuña Mackenna makes the statement that he paid part of the

<sup>27</sup> Pedro Pablo Figueroa, *Diccionario biográfico de extranjeros en Chile* (Santiago, 1900), p. 136.

debts that he owed there.<sup>28</sup> Hittell says, "By agents he bought up nearly all his notes, though paying in many cases only a small percentage of the principal originally loaned him."<sup>29</sup> This smacks of something less than one-hundred-per-cent honesty. But the severity of him who would cast the first stone may be somewhat modified when he considers that the original loans and defalcations were made in a time of inflation, so far at any rate as San Francisco was concerned, when the value of the dollar was low. In many cases, too, the borrower had been compelled to pay exorbitant rates of interest. On the point of the California debts, Meiggs himself declared in his will that he had sent agents to California and "paid them all . . . as is shown by the documents which I leave among my papers."<sup>30</sup> Since the papers referred to have disappeared, it is impossible to make a decisive check on the accuracy of the statements of Hittell and Meiggs.

After taking this step, whatever may have been its exact nature, Meiggs still had a considerable capital and financial credit which was worth a great deal more to him. He was in a position to expand and, since expansiveness was one of his most prominent characteristics, he did so. One of his first moves of this sort was the building of a residence which cost him 300,000 pesos.<sup>31</sup> This house, this "dream palace," this "castle in Chile," must have been for years developing in Meiggs's mind.

Known in Santiago as the "Quinta Meiggs," it stood until 1940 (when "progress" decreed its demolition) a hundred yards back from the Alameda, or Avenida Bernardo O'Higgins, two miles or so from the center of the city. Meiggs was laughed at when he went so far into the country to find a location for his palace. It was not believed that Santiago

<sup>28</sup> Letter to Bartolomé Mitre, cited above.

<sup>29</sup> *Op. cit.*, p. 226.

<sup>30</sup> Clause 6 of the will, original copy among Meiggs Papers. Sra. Costa-Laurent, of Chosica, informed the writer that her husband some years ago had sent those of Meiggs's papers which concerned his California operations to someone in San Francisco. Subsequently, Sr. Costa-Laurent was never able either to regain possession of the papers or to secure any payment for them. Efforts have been made to turn them up, but their whereabouts, if they still exist, remains a mystery to the general public.

<sup>31</sup> Vicuña Mackenna, letter to Mitre cited above.

would ever extend so far. Now, of course, the city limits reach far beyond that point. Except for a narrow space between business buildings that stand on the street front, the mansion in recent times was cut off from the Alameda. But still it had spacious grounds about it, planted with tropical and semitropical trees and shrubbery, with flower beds and pools here and there—very much, it is said, as it was originally designed. The lack of broad acres had the effect of exaggerating the building's truly imposing proportions. Two stories high—and the ceilings were lofty—it had a central tower which rose to the height of an additional story. At the first view one was struck with the novel plan of the structure. It consisted of four wings that extended outward from the tower, two on either side, at something less than right angles to each other. There was no patio. A legend has it that it was constructed on a track with wheels in order that the occupant might turn it about to have the sunlight enter any desired room. Of course there never were any such track and wheels. The very existence of the legend, however, is significant, since it indicates the tremendous impression which the mansion produced on the Chileans.

In 1937 the estate was the property and the residence of General Germán Contreras Sotomayor and his wife, Raquel Daza de Contreras, a daughter of former President Daza of Bolivia.

Writers of former generations who saw the house and wrote about it—and practically every visitor to Santiago saw it, for it was a "show place"—described it as "palatial."<sup>32</sup> A double pair of carved mahogany doors at least twelve feet high and six inches in thickness, the second pair beyond a very shallow hallway, admitted one to the great circular hallway proper. This room, some thirty feet across, was tiled in marble of many colors laid in a starlike design. Immediately the eye was caught by the massive mahogany stairway as it spiraled up-

<sup>32</sup> Thomas J. Hutchinson, a British consul-general en route to his post in Peru, who visited it about 1870, wrote: "After about half an hour of rambling, I pass by the beautiful and princely Quinta of Mr. Henry Meiggs, to which the title of palace would not be misapplied" (*Two Years in Peru with Explorations of Its Antiquities*, London, 1875, I, 36).





MEIGGS MANSION—THE “QUINTA MEIGGS”—SANTIAGO  
(Photograph by Author)



MEIGGS MAUSOLEUM—VILLEGAS, PERU  
(Photograph by Author)





ward, richly carved and graceful, turning about to the right and forming above a half-gallery that afforded communication between the wings of the second floor. Seen from the entrance, it suggested a giant question mark—not unfittingly, for one wondered at the manner of its getting there, so grand and yet so lovely. The French Renaissance doors with their heavy pediments which gave admission to the four great rooms of the first floor opened off from the main hall. In truly royal fashion (or should it be called “presidential style”?) three of these rooms were called by Don Enrique “the white salon,” “the blue salon,” and “the red salon.” The fourth, the dining room in natural Douglas fir, was not christened with a color designation. In 1937 all these chambers were preserved just as they were originally decorated, not including, of course, the furniture. Señora Contreras, when comment was made on the freshness of the red, blue, and gold of the “red salon,” declared that the rooms had never been repainted; no work had been done on them except to clean them. The blue room, its walls dotted with golden fleurs-de-lis on a dark blue field, was only slightly less rich than the red. Each of the four rooms had its distinct individuality as to decoration, but all were similar in form and size. The halves of the house on the second floor were entirely separate, communication being possible only by means of the balcony above the hall. There were on either side several complete suites of rooms, each with its bath, closets, and almost all the conveniences usually found in a luxurious modern home.

One of the remarkable features of the building was that it had a central heating plant, a hot air system. This fact was the more remarkable when it is remembered that at the time when it was built comparatively few houses in the United States had such equipment. Furthermore, there was a system of speaking tubes and call bells that had functioned in former times.

The materials that went into the house were all cut and formed in the United States at Meiggs’s order. When they arrived in Chile, all having been brought to Valparaíso in one ship, it was only necessary to transport them to Santiago (on

the railway which Meiggs had just finished) and put them together. A Chilean historian has said that the work of erecting the house was begun immediately after the completion of the Santiago-Valparaíso Railway and that the work was done by former railway employees of Meiggs who gave their services without pay. A sort of labor of love, it would seem. The excellent state of the building in 1937, both without and within, paid tribute to the quality of the materials that were used in its construction.

This amazing building exhibited emphatically one side of Meiggs's character. He seldom, if ever, did anything in a small way. He loved to challenge attention and admiration. Too, he liked his fellow-men and it gave him pleasure to have them about him. Chileans believe that Meiggs deserves a place in their social history, for he taught them to live hygienically and gracefully with his beautiful, well-equipped homes and the dinners and receptions which he enjoyed giving in them. Perhaps so. It is entirely possible that he also taught them some things about living extravagantly. Merely keeping up such an establishment as the "Quinta Meiggs" was an expensive matter, not to mention the cost of the great dinners and balls which he gave. It is possible that Meiggs himself on occasion regretted the size of the house. After he went to Lima the "Quinta" was occupied by his son Manfred and his family. In 1874, when Don Enrique was having financial difficulties, he wrote Manfred urging him "for God's sake" to cut down on his household expenses, to limit them to "500 dollars per month at most—"<sup>83</sup>

Meiggs's friend, the impressionable Benjamín Vicuña Mackenna, was one of a numerous company who attended a ball at the "Quinta" on the evening of September 7, 1866. The occasion raised Vicuña Mackenna to the seventh heaven of delight, and on the following morning, still glowing, he wrote a description of it. He alluded to "the thousand colors"

<sup>83</sup> Letters to Manfred Meiggs of Jan. 28, Feb. 6, and Oct. 21, 1874. These letters are among the Valle-Riestra family papers. Sra. Alfredo Meiggs de Valle-Riestra, of La Punta, Peru, is a daughter of Manfred Meiggs. Her family and that of a sister who married a Peruvian of the Briseño family were living together at La Punta in 1937.

of the marbles of the great hallway. He spoke of the stairway, which was like that painted by poets "to unite with one another the five heavens." He wrote of "fantastic furniture," of "radiant chandeliers," of the "richest, the most opulent and the most superb that art possesses." Two orchestras dispensed heavenly music for the "four dances in one." (The circular hall seems to have been reserved for the chaperones!) Unbelievably beautiful *señoritas* broke innumerable hearts, stuffy matrons of the first families exchanged the latest and the spiciest gossip. At midnight a voice called out, "To the tables!" and, the band leading with a lilting march, the brilliant and happy throng followed through the gardens to arrive finally at the stables in the rear. But what stables! A fairyland of soft lights, fragrant flowers, and the choicest food. What sanitary skill, indeed, when Don Enrique could transform even a barn into a charming setting for a midnight feast for the exalted and the aristocratic of Chilean society! Vicuña Mackenna believed that every guest would have had to admit, if asked the next morning, that it had been the most beautiful *fiesta* in all his life.<sup>34</sup>

Meiggs found himself mingling with the best of Chilean society. He had a beautiful, an astonishing house, and he was well able to make use of it. And that without the aid of a hostess, for the second Mrs. Meiggs had died on Christmas Day of 1861, and his daughter, Fanny Kip, was still too young to assume the duties of that position.

Always Henry Meiggs bought land; it was a mania with him. Usually the land ruined him, as in San Francisco. Statistics are not available on the extent of his real-estate purchases in Chile, but they appear to have been considerable. He is said to have had extensive holdings in the region of Valdivia, and he is known to have owned more than a little real estate in Santiago. Whether he profited greatly in Chile in that type of negotiations is not known. He did, however, continue to own the "Quinta" until the time of his death, and he made mention of a "Little Quinta" in a letter to his son Manfred.

As late as 1870, two years after he left Santiago, he made

<sup>34</sup> *Chile Magazine*, Dec., 1921, pp. 173, 185.

a contract with the municipality for building a street railway for the city.<sup>35</sup> Whether or not he built it, the writer cannot say; possibly not, for shortly after that date he became badly involved financially in Peru and, it may be, was not able to go ahead with the project.

Meiggs always, wherever he found himself, showed much interest in civic matters. In December of 1863, the Temple of the Compañía, one of the largest and oldest churches of Santiago, was destroyed by fire, along with its many treasures, and—the *lives of two thousand human beings!* The awful tragedy caused a tremendous sensation. Since one of the causes had been the lack of a system for fighting fire, some of the leading people initiated a movement to correct the deficiency. They worked with such speed and effectiveness that before the end of that same December they had formed the Cuerpo de Bomberos de Santiago, a volunteer fire brigade. Of the four companies originally formed, Henry Meiggs was chosen chief of the third. Later a fire engine, or *bomba*, was purchased in Boston and brought to Santiago. It is said that Meiggs was instrumental in making the purchase and that the engine was originally taken to the "Quinta." It is a matter of record that Meiggs took it from the boat at Valparaíso and conveyed it to Santiago.<sup>36</sup> The papers of the First Volunteer Fire Company reveal the fact that Meiggs was also the intermediary for the purchase in the United States of the bell which to this day announces Santiago fires. It is located in a tower in Calle Puente and is affectionately known as "*La Paila*," or "the kettle."<sup>37</sup> There can be no question concerning Meiggs's prominence in the movement for organizing and getting under way the first system of firefighting that Santiago had. He was in good company, for many of the leading men of Santiago, that is to say of Chile, lent themselves to the initiation of the important work—Manuel Antonio Matta, Francisco Bascuñán Guerrero, José Besa, Justo Arteaga Allemparte, Guillermo Matta, An-

<sup>35</sup> *El Mercurio* (Santiago), Feb. 20, 1870.

<sup>36</sup> For Meiggs's part in the early history of this organization, see Ismael Valdés Vergara, *El Cuerpo de bomberos de Santiago* (Valparaíso, 1900), pp. 57, 58, 61, 75, 82, 83.

<sup>37</sup> *El Mercurio* (Santiago), Jan. 3, 1940.



tonio Varas, and many others. Meiggs is mentioned in Valdés Vergara's history of this body as the "Segundo Commandante" of early 1865. If there had been a civic club in Santiago in those years, Henry Meiggs would quite probably have been its president.

Wherever Meiggs went, he early gained a reputation as a philanthropist. It was so in California, it shortly became so in Chile, and it was most certainly the case later in Peru. Perhaps he was influenced by the fact that there had been times when he himself sorely needed help and human sympathy. Vicuña Mackenna said of him: "He is the providence of all the poor and has acquired among them a certain supernatural prestige, for many people in our fields believe him to be a *wizard*. He is exceedingly generous and sows with pleasure thousands in order to gain millions. He is a true philanthropist."<sup>38</sup>

The remark concerning the sowing of thousands in order to reap millions could be given a construction quite other than that intended by Vicuña Mackenna, and one is tempted to wonder if there might not have been something of calculation in this extravagant charity. But it is, perhaps, uncharitable to suggest it, since it is a matter not susceptible of proof.

Meiggs the capitalist could hardly fail to become interested in nitrate, which at the time was so prominent a feature of the economic life of Chile and the neighboring Pacific states. At one time he held important concessions in this material at Mejillones which he had secured from the Bolivian government in return for financing a loan of four million pesos. This was about the time of the change of base to Peru. He released his concession shortly.

After the completion of the Santiago-Valparaíso Railway, Don Enrique took a number of other railway contracts in Chile. A complete list of them is not available, but it is known that he built the line that connects Talcahuano, Concepción, Chillán, and San Carlos. He made bids for other lines, some of which were awarded to him.<sup>39</sup>

Not later than the date of the completion of the Santiago-

<sup>38</sup> Letter to Mitre, previously cited.

<sup>39</sup> MSS, Archivo Nacional de Chile, Ferrocarriles del Estado, LI, LII (1859-1865), and LVIII, LIX (1859-1861 and 1862-1863).

Valparaíso Railway, Meiggs began to think seriously about building a trans-Andean road. Evidence on this point comes from Vicuña Mackenna. On the eighth of April, 1864, that gentleman wrote a long letter to his great and good friend Bartolomé Mitre, then president of the Argentine Republic. The greater part of this document is devoted to a discussion of the possibilities and the value of a railway that would unite Santiago and Buenos Aires. Vicuña Mackenna, already characteristically highly enthusiastic about the matter, wished to arouse a similar interest in his eminent correspondent. He had published in the Santiago *Mercurio* a series of articles on the subject of the railway, copies of which he had sent to Mitre. He wrote that he was going to publish another, a copy of which he would also send, and that to what he would say in it he wished only to add mention of

the exceptional enthusiasm with which the famous Don Enrique Meiggs, our marvelous constructor of railways, contemplates this great undertaking which will immortalize his name in the history of the world. . . . Meiggs has been on the point of putting himself in agreement with you or at least of asking me to do so, since old and close relations link me to him, I having been his *publicity* man since he undertook his gigantic works. |

The writer then, remarking that the question of the *man* enters very importantly into a matter of this sort, gave President Mitre a description of Meiggs, whom he called "a typical Yankee, capable of any daring, of any generosity, of any abnegation in his hunt for work and fortune." Meiggs, he said, assured him that in eight years he would be able to build the railway. He added, too, that Meiggs had been most instrumental in discovering a new pass across the Andes. Meiggs, declared Vicuña Mackenna, had talked also to Manuel Antonio Tocornal about the matter. He ended his references to Don Enrique in this lengthy letter by saying: "I was forgetting to tell you that Meiggs assures me that he will work the Indians of the pampas as if they were mild Basques, and although you will laugh at the enterprise, he says that he could do it with the barbarous Indians of California."<sup>40</sup>

<sup>40</sup> In Ricardo Donoso, "Una amistad de toda la vida, etc.," *Revista Chilena de Historia y Geografía*, L, 80-83.

But the triumph of building that railway was not for Henry Meiggs. He was unable to bring to fruition his ambitions with respect to it. And besides, not later than 1867 the call from Peru became so strong that he was unable much longer to resist it. In fact, as early as 1862, while he was still in the midst of his Quillota-Santiago contract, he had made to the Peruvian diplomatic agent in Chile a proposal for the building of the Islay-Arequipa road.<sup>41</sup> The prospect of rich contracts for building railways and other public works in Peru led Meiggs to shift his operations to the "city of the kings." He went to Lima early in 1868 and was shortly launched on the last and most spectacular phase of his remarkable and romantic career.

The thirteen years that he spent in Chile were fruitful both for Henry Meiggs and for Chile. The railways which Meiggs built there would have been constructed eventually if he had never entered the country, but he was instrumental in preventing some years of delay. It is possible that his treatment of the Chilean laborer and the opinions which he expressed concerning him were eventually of assistance to the *roto* in bettering his condition. The Chileans believe that he exerted a beneficial social influence among them. Certainly Meiggs himself profited greatly from those years. Though there is difference of opinion—and lack of proof—on the point of his actual wealth when he left for Peru, he certainly possessed a name and large credit, the chief necessities for his Peruvian operations. Of the four parts of the world in which Henry Meiggs spent his always active life of sixty-six years, balancing the good and the bad, it is probable that he stored up the greatest positive balance in Chile.<sup>42</sup>

<sup>41</sup> Dr. Manuel Polar, Peruvian minister to Chile, to his government, Santiago, Dec. 15, 1862 (from a typed MS among the papers of the late Federico Costa-Laurent, now in the possession of his widow at Chosica, Peru).

<sup>42</sup> The substance of this chapter, in somewhat different form, was presented in a series of articles entitled "Henry Meiggs in Chile" in the *New West Coast Leader*, English language weekly of Lima, Peru, May 11, 18, and 25, 1937. These articles were later translated into Spanish and published, with documentation provided by the author, in *Revista Chilena de Historia y Geografía* (Santiago de Chile), LXXXIV, 47-77.

### III

## THE "YANKEE PIZARRO" ENTERS PERU

IN 1868 PERU was as ripe for pillage by a daring and able foreigner as it had been when Francisco Pizarro entered the country nearly three hundred and fifty years earlier. Then, the empire of the Incas was crumbling, and the gold of its people presented an irresistible attraction. In 1868 Peru was but little more united politically than the ancient empire had been, and the promise of a golden reward for the invader was equally attractive. Moreover, the nineteenth-century *conquistador* enjoyed the decided advantage of being warmly welcomed, even sought, by a conscienceless native class as avid for gold as he was and wholly prepared to co-operate with him in lifting it from its depositories. Indeed, there have been commentators on the Peru of the later period who considered it decidedly inferior to the Indian empire in social and political morals.<sup>1</sup> On the surface, the manner of extracting the golden treasure was different in the later period, but the results, as far as the nation at large was concerned, were much the same.

The statement has been made that Meiggs, in 1862, when he was about to complete the Valparaíso-Santiago Railway, submitted to the Peruvian government a proposal for building a railway from the coast to Arequipa. For reasons unknown, the matter went no further at that time. A fact which later was of much importance for Meiggs is that the Peruvian minister to Chile in 1862 and for some years thereafter, Dr. Juan Manuel Polar, was much impressed with his capabilities as a railroad builder. In a letter to his government, written late

<sup>1</sup> A. J. Duffield (*Peru in the Guano Age*, London, 1877) makes at some length the comparison mentioned.



in 1862, Dr. Polar declared that he had no difficulty in persuading himself that Peru could not find a more fitting agent for the building of its railways, a work which "embraced all of the happy future of Peru."<sup>2</sup>

Late in 1865 Meiggs advised the Peruvian government that he was sending to Lima, Francisco de Paula Vicuña, empowered to contract for the building of the railways which the country was projecting. In reply the government invited Meiggs himself to come.<sup>3</sup> The invitation was not accepted.

A revolution in 1867-1868 prepared the Peruvian field perfectly for Meiggs's operations. It brought to the headship of the government General Diez Canseco as president, and Dr. Polar, former minister to Chile, as head of the ministry. Both of these men were Arequipeños and were deeply interested in seeing a railway constructed from the coast up to their city. And they were intent on avoiding further delay. The author of the Costa-Laurent manuscript declared that General Diez Canseco, while en route to Lima from Arequipa after the triumph of the revolution, dispatched a communication to Meiggs from Islay, early in 1868. The general asked Meiggs, according to this writer, to come to Lima and present his proposals in the bidding which was soon to be opened for the building of a railway to Arequipa. Meiggs was informed that the road was to be built by the government, as experience had proved that that was the only means of giving immediate realization to the aspirations of the Department of Arequipa. A writer in *El Comercio* of Lima later declared that a Sr. Gibson had been sent to Chile expressly commissioned by General Diez Canseco to urge Meiggs to come to Peru.<sup>4</sup> It is clear that Don Enrique had ample reason to anticipate a warm welcome

<sup>2</sup> Costa-Laurent Papers. Sr. Federico Costa-Laurent, an engineer, was the author of several works relating to the railways of Peru, the most important of which is *Reseña Histórica de los Ferrocarriles del Perú* (Lima, 1908). He was greatly interested in Meiggs and had for many years been collecting materials for a study of his life. According to a statement of his widow, he saved the business archives of Meiggs from destruction.

<sup>3</sup> *El Ferrocarril de Arequipa* (Lima, 1871), p. xxxv.

<sup>4</sup> Aug. 26, 1870. The Gibson referred to was doubtless Patrick Gibson, who, with John Pickering, had previously made and failed to execute a contract for building a railway to Arequipa—one of the reasons for decision on building by the government.

in Peru from the group then in power. This attitude was mainly the product of two factors: Peru's lack of success with earlier contractors and the resounding reputation as a railroad builder which Meiggs enjoyed. This time there was no hesitation. Meiggs decided to go to Peru.

The Yankee Pizarro arrived in Lima in January, 1868, probably late in the month. He was accompanied and aided in his subsequent activities by a general staff of respectable size—larger in number, quite possibly, than Francisco Pizarro's renowned thirteen of the Island of Gallo.<sup>5</sup> It consisted of secretaries, draftsmen, engineers, and others—including very shortly a number of Peruvians—of the stamp necessary to men who deal in contracts involving millions. From the contemporary accounts one gets the impression that the coming of this genius of the iron road was awaited by the Peruvians with bated breath.

Dr. Fernando Casos, a Peruvian who wrote under the pen name of "Segundo Pruvonena," published in Paris in 1874 a book which he called *iiLos Hombres de Bien!!* The title translated reads *Men of Good Deeds!!*, the exclamation points indicating that the phrase was meant to be taken in a doubly satirical sense. It was meant to be the first volume of a trilogy, *The Golden Calf*. The author, in his preface, describes *iiLos Hombres de Bien!!* as "properly an historical-political narrative." It is a bitter attack on the group which dominated Peru in the early years of Meiggs's residence there—a group who made "sudden fortunes" from the "three impure fountains"—guano, loans, and railways. Though its details, incidents, and conversations cannot be accepted as a record of actual facts, other and more dependable Peruvian sources verify the correctness of the general tone of the book. Chapter VI is entitled "The Yankee Genius," and purports to describe the procedure by which Meiggs secured the contract for building the Arequipa Railway. In the book the actual names of in-

<sup>5</sup> On this small island off the coast of Ecuador, Pizarro, at a time of great stress and in the face of much dissatisfaction among his small body of followers, one day drew in the sand with his sword a line east to west. Then stepping across to its southern side, he invited those who wished to continue with him to Peru and riches and glory to cross the line and join him. Only thirteen crossed.

dividuals are "pied," or slightly altered. Meiggs becomes "Gimegs," Balta (who followed Diez Canseco as president) is "Tabal," Blume is "Plumas," Palma is "Dátiles," Malinowski is "Rapinowski," Bakus is "Bakus" and so on. Dr. Casos describes in these lines the organization with which Meiggs began his Peruvian operations:

An engineering school of the best capitals of Europe would have been provided with no better tools and instruments, nor a better selection of plans of great roads, than was the house of Lescano Street [in which Meiggs was lodging] for the purpose of making Lima and the national treasury understand how and in what manner, at the cost of some two hundred little millions, it was possible to cover all the soil of the Incas with a network of iron roads and to shorten distances for its inhabitants, although the next day they might wake up without a *centavo* for the indispensable passenger ticket. In this circle were drawn up, like the numbers of a roulette wheel, all the Peruvian state engineers, Bakus, Alleon, Plumas, and a dozen more, of whom the leader was Rapinowski. There was not lacking, of course, an illustrious agronomist, more distinguished for his skilful knowledge of the funds necessary for the acclimatization of wheat and potatoes, than for his expertness in calculating the reproductive value of these plants; this excellent man was the clever Soda [Sada], who, as effervescent as his name, had left to Chile, after ten years of employment, the marvelous discovery of beer manufactured with hops and barley.<sup>6</sup>

The writer describes a session of Meiggs and his "council" in which they estimate at S/6,700,000 the actual cost of building the Arequipa railway. At the conclusion of this computation,

"I believe there is nothing more," said Bakus:

"Yes there is, my friend Bakus," replied the contractor, and drawing out his memorandum book,<sup>7</sup> he read as follows:

What Don Enrique read, according to Dr. Casos, were the

<sup>6</sup> Pp. 88, 89. Dr. Sada, here called "Soda," had founded the Chilean school of agriculture and was associated with the first steps taken in Peru toward the founding of a similar institution.

<sup>7</sup> In a pamphlet of J. Rinaldo Márquez, *La orjía financiera del Perú; el guano i el salitre* (Santiago de Chile, 1888), reference is made to a notebook in which Meiggs kept account of such payments as he found it necessary to make to members of the government and influential persons. The Meiggs heirs, said Márquez, called it "the green book" (pp. 66-67).

names of sixteen persons (the author supplies only the initials of the names) followed by figures that represented the size of the "gratuities" which must be paid them. The sums range from S/300,000 (to be paid to "C") down to S/25,000. At the end of the list are three entries of S/100,000 each, for "Engineers," "Works of Charity," and "Loans." These nineteen sums total S/1,300,000, bringing the entire cost of building the road to S/8,000,000.

Dr. Casos then states the fact—and it was a fact—that the state engineers, "Plumas" (Blume) and "Echegarre" (Echegaray), in 1862 had estimated the cost of the railway at S/10,000,000.<sup>8</sup> He describes the manner in which it was suggested to the President and his ministers that the railway could not possibly be built for less than S/15,000,000; any contractor who should undertake it for less would ruin himself. He then drew a picture of the scene when Don Enrique magnanimously declared that he would build the road for only S/12,000,000—an advance of a mere S/2,000,000 over the estimate of the state engineers! The words which the novelist puts into the mouth of Meiggs have the ring of genuineness when compared with passages from undoubtedly authentic reports of various public utterances of Meiggs: "Mr. General, . . . I am going to say to Your Lordship and to everyone, that the fifteen millions are unnecessary and that I will execute the work for only twelve, under the terms laid down by the State Engineers, because neither my aim nor my stimulus is money, but rather the satisfaction of giving the country what I am leaving in Chile, a great road that will subdue the cordillera and the deserts, make happy the people and animate their commerce."<sup>9</sup>

The procedure described by Dr. Casos is in entire harmony with Peruvian political conditions of the period under discussion. Concerning this sort of thing, Duffield, an Englishman not wholly unprejudiced, makes these remarks:

As for stealing—not the form of it which comes within the range

<sup>8</sup> See *Los Ferrocarriles del Perú; Colección de Leyes, Decretos, Contratos y demás Documentos Relativos á los Ferrocarriles del Perú hecha de orden de D. Enrique Meiggs* (Lima, 1876), I, 533.

<sup>9</sup> Pp. 97-98.



of petty larceny, but the wider and more awful range of felony—it may be safely said, that nearly all public men have steeped themselves to the neck in this crime, and the common people take to it as easily and naturally as birds in a garden take to sweet berries. Nor is there sufficient justice in the country to stamp out the offence. If the punishment awarded to this crime [putting out the eyes] in the Golden Age of the Incas had been inflicted in the Age of Guano, there would be a very limited sale for spectacles in Lima and the cities of the Peruvian coast, or the towns and cities of the mountains.<sup>10</sup>

That Henry Meiggs resorted to bribery to attain his ends cannot be doubted. By that means he managed the men who managed Peru. Nine years after the date of the events just recorded the International Committee of Peruvian Bondholders, composed chiefly of Englishmen, sent to Peru a representative in the person of William Clarke. After an extended investigation of Peruvian finances, Clarke made his report. In it is found the account of a conversation which Clarke had with Meiggs in 1877 only a few weeks before Meiggs's death. Although many references to Don Enrique's use of bribes are encountered in contemporary literature, this one comes nearest to being direct from the fountainhead. Wrote Clarke:

The Oroya railway [the contract for the building of which Meiggs gained a year or so after he took the Arequipa contract] furnishes a characteristic illustration of the mode in which many financial undertakings are "managed" in Peru. Everybody in that country is expected to gaze with awe at the profound engineering knowledge and skill displayed in the undertaking, but my idea of the whole affair was that the real ingenuity consisted in obtaining £40,000 per mile for its construction. Any American or even English railway engineer could have made their fortunes out of it had the cost been restricted to one-quarter of the amount per mile. The secret of doing this is very simple. *The late Mr. Henry Meiggs hinted at it when he informed me that the only way to get on with the successive Governments of Peru was to let each sell itself for its own price. He then added to the contract price the sums required by the President and the President's friends, and thus contrived by "robbing Peter to pay Paul," to keep all rivals at a distance.* [Just the procedure described by Dr. Casas!] This may appear wrong, but it was one of the results of the evil form of Govern-

<sup>10</sup> *Peru in the Guano Age*, pp. 15-17.

ment which has made Peruvian bribery and corruption a by-word even in South America.<sup>11</sup>

This declaration comes from a source which is worthy of credence. And its content conforms so exactly to the performance which Dr. Casos detailed that it is difficult to refuse granting Dr. Casos' narrative also a high degree of credence, despite the fact that it is embedded in a satirical novel.

The circumstances in which Meiggs went to Peru were such as to give him every reason to believe that his proposals for building the Arequipa railway, and perhaps others as well, would receive favorable consideration. The sequel proved that his belief was fully justified. His formal proposal was dated March 31, 1868. He would build the railway for the sum of S/12,000,000 according to the plans which had been drawn in 1862 by the state engineers, Blume and Echegaray. Details concerning laborers, materials, and manner of payment were set forth.<sup>12</sup>

On the same day the Central Commission of Engineers, in a report signed by Federico Blume, Alexander E. Prentice, and Gerrit S. Backus, rejected the proposals of three other contractors—Beddy, Bates, and Harmsen—for the reasons that they were formulated on entirely different grounds and that they were so vague as to offer no desirable guarantee for the prompt and sure execution of the work.<sup>13</sup>

A short time afterward the Supreme Tribunal of Accounts declined to express an opinion on the bids mentioned above, with that of Meiggs added.<sup>14</sup> Then, after it had considered a lengthy report on a number of legal points involved in the matter,<sup>15</sup> the Council of Ministers—of which Dr. Polar was president—voted unanimously to accept the proposal of Meiggs. The grounds advanced by the Council to justify the decision were that the Meiggs proposal was the most advantageous, "not only because of the nature of the contract which he proposes, but because of the guarantees which he offers."<sup>16</sup>

<sup>11</sup> *Peru and Its Creditors* (London, 1877), pp. 118-119. Italics supplied by the author.

<sup>12</sup> *Los Ferrocarriles del Perú*, I, 550-552.

<sup>13</sup> *Ibid.*, I, 552-554.

<sup>15</sup> *Ibid.*, I, 555-558.

<sup>14</sup> *Ibid.*, I, 554-555.

<sup>16</sup> *Ibid.*, I, 558.

This is a surprising matter in view of the fact that the contract contains no mention of guarantees by Meiggs. Those referred to were probably of a moral nature, provided by his achievements in Chile. In this same session the Council appointed a commission to draw up the final contract.

That commission, after some changes in its personnel, consisted of Ramón Montero, Francisco Ruíz, Manuel de la Encarnación Chacaltana, and Federico Blume. It reported on April 29. The suggested contract contained some alterations of the original Meiggs proposal, but it was accepted by Meiggs on the same day. Then, on April 30, the government, after making some additional slight modifications, issued a decree approving the contract.<sup>17</sup>

The document contains sixteen clauses. They may be summarized in these terms:

The railway was to be built in accordance with the studies which had been made by Blume and Echegaray, with the modifications made by the Central Commission of Engineers. Meiggs should execute the contract under the inspection, and to the entire satisfaction, of engineers whom the government should name.

The government should have the right to put into operation, in agreement with the contractor, sections of the road as they were made ready for traffic. Save for fortuitous circumstances, Meiggs was obliged to finish the work and its dependent parts—meaning stations and sidings, chiefly—within three years, counting from the date forty-five days after the signing of the contract. Failing to do so, he would pay a penalty of S/20,000 for each month of delay. The government, on the other hand, would pay an equal sum for each month by which the three-year period should be anticipated. Meiggs guaranteed the solidity of the work during the three years following its completion, he being responsible during that time for whatever repairs might be necessary because of defects or bad execution.

All of the materials imported for the work should enter the country free of duties. Workmen and other employees

<sup>17</sup> *Ibid.*, I, 563.

should be exempted from military service. Contracts which Don Enrique might make with workmen, peons, and other dependents should have full effect in Peru, in so far as they were not contrary to the laws of the country. Contracts made abroad with foreigners should be certified by the Peruvian minister or consul resident in the place where they were made. The government should be obligated to interpose its authority to the end that they be respected.

The cost of the work was set at S/12,000,000. The government was to deposit in a bank or in the house of a guano consignee in Lima, France, England, or the United States, S/2,000,000 to be spent in the purchase of rails, ties, and other materials. These materials were to be purchased under the orders and the inspection of Meiggs or his agents, Meiggs to present without delay bills of lading certified by a Peruvian diplomatic or consular agent of the place where purchase was made. The remaining S/10,000,000 of the contract price was to be paid to Meiggs in monthly installments according to the miles worked each month—S/70,000 for each mile of road opened and graded to receive sleepers and rails and S/30,000 more for each mile completed and ready for use. To qualify for the monthly payment, Meiggs had to present a certificate of the engineer who should be charged with the inspection of the work. At the conclusion of the contract, there should be a liquidation of accounts, Meiggs being paid the remainder in his favor, if there should be any. For no cause should the government be obligated to make payments other than those stipulated. |

If for any reason the government should fail for three consecutive months to make the monthly payments, thus causing the paralyzation of the work, Meiggs might suspend operations completely and demand payment of what was due him, plus interest, damages, and injury, or he might continue the work on his own account and exploit the line until he should have paid himself all that was due him. If, on the contrary, the contractor should suspend work for three months, the government might declare the contract terminated and de-



mand indemnity for damages and injury because of noncompliance with the terms of the contract.

Any differences concerning the contract that might arise between the government and the contractor should be settled by the courts of the republic in conformity with the laws, without appeal to other means.

On the conclusion of the work, the government, if it so desired, might purchase from Meiggs for the service of the line whatever materials he had remaining.<sup>18</sup>

It was under these terms that the Arequipa Railway was constructed—the railway which the government, dominated by men of Arequipa, frankly declared was built to reward the city of Arequipa for its heroic labors in overthrowing "the nascent power of the dictatorship."<sup>19</sup>

On the subject of the decree validating the contract, Dr. Casos exclaimed: "At last the decree was signed; with it was signed corruption erected into a system; with it was signed the ease of making a fortune in a few days; with it was signed the admission of a great corrupter of the country and the impunity of all those who should be his accomplices in the future!"<sup>20</sup>

At the time and later, there was much talk in Peru of corruption being associated with the awarding of the Arequipa contract. As late as 1921, the year of the semicentennial celebration of the completion of the road, Jesús Antonio Diez Canseco, a son of the Diez Canseco who was president at the time when the contract was let, felt it necessary to explain some matters relating to his father's connection with the railroad. In that year the son published a pamphlet entitled *Para la Historia Patria; el Ferrocarril de Arequipa y el Gral. Don Pedro Diez Canseco*, in which is found this intriguing paragraph:

After quitting the government [i. e., after Diez Canseco had retired from the presidency], the contractor thought he ought to express his thanks to General Canseco and to his minister in the revolution of

<sup>18</sup> *Ibid.*, I, 560-562.

<sup>19</sup> *Documentos Parlamentarios*, 1869, "Memoria que el Ministro del Estado en el Despacho de Gobierno, Policía, y Obras Públicas presente al Congreso Nacional de 1869," p. 18. The minister was Dr. Polar.

<sup>20</sup> *¡Los Hombres de Bien!!*, p. 134.

1867 and the provisional administration of 1868, Dr. Juan Manuel Polar, who showed himself so enthusiastic always for the progress of Arequipa, offering them each, entirely spontaneously, a *draft* of one hundred thousand pesos, by the hands of Colonel Diego Masías; drafts which were returned by both when they were informed of the gift, the General charging Sr. Masías directly and through Dr. Polar, that he return those documents to Mr. Meiggs. . . . Some months passed without the General having been advised by Mr. Meiggs of his receipt of the documents at the hands of Sr. Masías, and not satisfied with the notice of Colonel Masías [who had written Diez Canseco that he had returned the drafts to Meiggs], he wrote to the said Mr. Meiggs a letter declaring that it was not possible to accept the gift, and that he had instructed Sr. Masías to return it; to which letter, delivered by the son of the General himself, Mr. Meiggs replied saying that he had the drafts in his possession, turned over by Sr. Masías.<sup>21</sup>

The Diez Canseco pamphlet contains as inserts photographic reproductions of Colonel Masías' letter to General Diez Canseco, stating that he had returned the drafts to Meiggs, and of Meiggs's letter to Diez Canseco. Meiggs declared that he was desirous of making Diez Canseco a gift which would not affect in the least his integrity and his recognized probity. He added: "I, respecting the scrupulousness and the refined justification of yourself and Dr. Polar, have taken back from Colonel Masías the aforementioned drafts, being unable to do less than admire such extreme disinterestedness, in refusing a gift, which, if it could have in any sense impaired such good reputations, I should have abstained from making."

It may be that this exchange of letters was made in all sincerity. But it is none the less an interesting fact that Meiggs should have proffered these magnificent gifts to the men who headed the government with which he made his first Peruvian contract. Even Henry Meiggs, openhanded as he was, was not accustomed to flinging about one-hundred-thousand-peso drafts in a careless manner. He must at least have *thought* that he had something to pay for. And, whatever the facts as to his relations with President Diez Canseco, this action affords a significant clue to his methods.

<sup>21</sup> Pp. 11-12. The pamphlet was published at Arequipa.

In early May, only a few days after the contract was signed, a writer who subscribed himself "A Patriot" was able to say that the silence of the press was an effective proof of the general acceptance which the Meiggs contract had received. Only a Sr. Dockendorff was displeased with what the government had done, said the writer, and, since he was an unsuccessful bidder for the contract, his dissatisfaction was entirely understandable.<sup>22</sup>

However, as the terms of the contract became more widely known, and more particularly after the Diez Canseco administration which had made the contract was succeeded by that of Balta—the change occurred on August 2—the agreement with Meiggs, on one ground or another, suffered attack from various quarters. Senator Torero, in a session of September 16, described it as a contract "which public opinion characterized as onerous in all aspects."<sup>23</sup> Senator Orihuela, while supporting the building of the railway, made reference to the "mysteries" which were attributed to the contract.<sup>24</sup> Still another senator, Ruso, in the same session, reminded his hearers that "on the theme of that same Arequipa railway many disgraceful publications appeared." He asserted that the government, in making the contract with Meiggs, wished to go ahead immediately and in doing so neglected the necessary careful preliminary study of the project. "In said project," he declared, "from the beginning to the end appears no name other than that of Meiggs." It was clearly evident, the Senator thought, that the government had wished to proceed at once to contract with Meiggs for the work with but slight regard for the proposals of other bidders.<sup>25</sup>

In June and July, 1868, much space in Lima's newspapers was devoted to discussion of the Arequipa contract. An extended examination of it was made by an anonymous writer in *El Nacional* in the issues of June 27 and July 3 and 8. He criticized irregularities in the procedure observed in making the Meiggs bid and contract and declared that the price stipu-

<sup>22</sup> *El Nacional*, May 9, 1868.

<sup>23</sup> *Diario de los Debates, Cámara de Senadores*, Congreso de 1868, p. 124.

<sup>24</sup> *Ibid.*, p. 595.

<sup>25</sup> *Ibid.*, p. 585.

lated was extravagant. He asserted that some of the terms of the contract were carelessly drawn, which, to him, indicated that little or no thought had been given to it by the officials concerned. He believed that materials purchased abroad should be paid for in Lima in order that the government might have a better check on their quality and cost. He saw no logic in the provision that Meiggs was to be paid for the work at the rate of \$/100,000 per mile, with no regard to the fact that actual cost per mile would depend upon the nature of the terrain traversed. The \$/10,000,000 remaining for payment to Meiggs in addition to the sum for the purchase of materials abroad would be exhausted on the completion of one hundred miles, whereas the entire road would measure one hundred fourteen miles. Here was another evidence of carelessness in drawing the terms. Chile, asserted the writer, had not proceeded in this slipshod fashion. He quoted from Meiggs's contract for the building of the Valparaíso-Santiago Railway, showing that the rate of payment in that case depended on the cost and difficulty of the work done. Since Meiggs was not spending his own money, the writer saw no justification for the government's pledge to pay him "damages and prejudices" in case of a suspension by the government of the monthly payments. A further cause for severe criticism was the lack in the contract of any form of surety for its faithful execution by the contractor. In the case of the Chilean railway, the government had retained 10 per cent of the guarantee against the completion of the work. The Arequipa contract contained no comparable clause. It was the critic's belief that the interests of Meiggs had been adequately guarded, but that those of the government and the Peruvian people had not.

Just after the accession to power of the Balta government, Federico Torrico published a pamphlet entitled *Exposition to H. E. the President of the Republic on the Desirability of Modifying the Contract Celebrated for the Construction of the Arequipa Railway and a Critical Examination of that Document*. Though the pamphlet's content is hardly as formidable as its title, it merits some attention. Torrico declared that all the legal forms of procedure were violated in the making of



the contract; that the price was adjusted without official attestation and with insufficient advance publicity for the preliminary studies and the proposals; that in the stipulations all security for the interests of the state was omitted, and that upon the state were placed responsibilities foreign to its nature; that neither the contractor nor the government knew whether the price fixed in the contract would be a just one, "computed arbitrarily in the exorbitant sum of twelve million *soles*"; and, finally, that certain terms of the contract violated the constitution of Peru.<sup>26</sup> Forty pages of argument were put forward to sustain these points.

Defenders of the contract were not wanting. A number came forward to answer such charges as these. One who signed himself "Veritas" contributed to *El Nacional* a lengthy refutation of the articles summarized above, as well as of charges that had appeared in *El Comercio*.

"Veritas" declared that it was sophistical to charge as was done in some quarters that the railway was a purely local project which would benefit only Arequipa. Such an attitude was "antipatriotic," for this railway was to be a part of a system that would make of Peru "the emporium of South America." The arguments advanced to support the charge that the sum to be paid Meiggs was too large were "so futile and so banal as not to merit refutation." Meiggs was, of course, expecting to make a profit from building the railway. Moreover, he was not "a vulgar contractor." He had been called to Peru to undertake the project by every Peruvian government of the past ten years. He had come at last and had made his proposal on the basis of the studies of Blume and Echegaray, and after a careful examination by Meiggs himself of all the existing scientific works relating to the railway question. The price which he had fixed lacked a great deal of being exaggerated. The cost of the railway was more or less problematical, and so was the figure of the contractor's profit. Here "Veritas" made an unintentional admission that the project had been, as was charged, insufficiently studied.

Moreover, according to "Veritas," the government, in

<sup>26</sup> Preface, p. iv.

making the contract, had not proceeded carelessly or lightly. The members of the cabinet, in giving their unanimous vote to the Meiggs proposal, "the object of unmerited attacks," had vividly in their minds the memory of the antecedents—antecedents of uniform failure—and "in giving it the preference over the other bids which formed a part of the proceedings, they did not accede to impulses of ignoble gains or intrigues of the palace but under the weight of the conviction that it was the one which offered the government most security with respect to its fulfillment." The government did not demand sureties from Meiggs because there was no legitimate reason which could serve as a pretext for imposing that onerous condition on a contractor who did not ask of the government a *centavo* in advance.

The government had been criticized, said "Veritas," for the ease with which it had consented to assure S/2,000,000 for the purchase of materials abroad and also S/3,000,000 more in the Bank of Peru to care for the payments for the first thirty miles of the road. "What the government wished to do with this is simply an act of complacency and distinction toward the honorable and intelligent contractor." The writer left for a later occasion the exposition of all the reasons that he had for considering the Meiggs contract as an act which said much in favor of the patriotic sentiments that animated General Diez Canseco and his worthy and illustrious ministers.<sup>27</sup>

Why, in a matter that was, presumably, a cold business proposition, should the government have given itself over to Meiggs in the manner disclosed? The material of this chapter should already have made the answer more or less evident. Efforts of some writers—inspired, it may well be, by something more substantial than patriotic sentiments—to make the choice of Meiggs and the failure to demand surety of him seem reasonable, are little short of laughable. This, for instance:

The fame which accompanies a man in the career which he professes augments incalculably the value of his work. Sometimes he is remunerated generously solely because he allows his name to be associated with a given enterprise. The picture of an artist is not worth

<sup>27</sup> *El Nacional*, July 11, 1868.

the same as that of a painter of poor attainments. Sr. Meiggs finds himself, and with justice, in this case. . . .

If Sr. Meiggs were an unknown adventurer, if he had not come to Peru preceded by a reputation without spot and with a justly merited fame as an intelligent, punctilious, and energetic contractor of public works, if his accomplishments in that line did not constitute in themselves the sole guarantee which any Government ought to ask of those who go on the hunt for contracts of great price; then certainly the present administration, taught by the history of past contracts, would not have accepted the proposal of Sr. Meiggs in the terms in which it has been published. . . .

Undoubtedly, the deference with which the Peruvian government has treated Sr. Meiggs is highly honorable to it, and he, more than anyone, esteems it at all that it is worth.<sup>28</sup>

The statement that Don Enrique esteemed "at all that it was worth" the "deference" shown him by the Peruvian government is undoubtedly a fact, though perhaps not exactly in the sense in which the writer meant it. This is not the first case of extravagant adulation of Henry Meiggs by a Peruvian, but it is typical of the sort of thing that became common and was continued until his death, though somewhat diminished in quantity after the first three or four years of his residence in Peru. At its apogee it had increased to such a nauseous volume that the Englishman Duffield was inspired to write these delightfully satirical lines: "You could no more breathe without Meiggs, than you could eat your dinner without swallowing dust, sleep without the sting of fleas or the soothing trumpet of mosquitoes. Meiggs everywhere; in sunshine and in storm, on the sea and on the heights of the world, now called Mount Meiggs; in the earthquake and in the peaceful atmosphere of the most elegant society in the world."<sup>29</sup>

In his campaign for the Arequipa contract Meiggs had not missed a single trick. He had so well "oiled" the way that

<sup>28</sup> *El Nacional*, July 21, 1868.

<sup>29</sup> *Op. cit.*, pp. 122-123. The name Mt. Meiggs was given to that peak under which was bored the tunnel that leads the Oroya Railway across the summit of the Andes. The reference to the earthquake was occasioned by the fact that Meiggs made a large—and much talked about—contribution for the relief of sufferers from the earthquake that almost destroyed Arequipa and damaged very badly several other cities in August, 1868.

he got just about what he wanted. Impelled by a determination to secure a railway for the favored city of Arequipa, by exaggerated notions of the effects that would flow therefrom, and persuaded by benefits more substantial and more immediate which Don Enrique knew well how to proportion, the government gave the country and its resources over to the bold contractor, the newly arrived Yankee Pizarro.



## IV

### THE PERUVIAN STAGE

ON THE MORNING of New Year's Day of 1870, excited anticipation possessed the people of Lima, the centuries-old capital of Peru. Their love of pageantry was about to be gratified. With a sure sense of the dramatic, Henry Meiggs, the great North American contractor, had chosen that day for the beginning of his second Peruvian railway—a most difficult and a famous project, but one which had long been the dream of many Peruvians.

The president of the republic, with appropriate ceremonies, was going to put in place the first stone of the Central Trans-Andean Railway—that magic railway which, it was anticipated, would at once make brothers of the Andean Indian and his white neighbor; bring promptly to the country an ever-increasing stream of European and North American colonists; cause the immediate multiplication of herds and crops; act as the magnetic force which should presently draw from the hitherto inaccessible ranges of the Andean cordillera untold tons of the precious and near-precious minerals; make of every citizen of the country a paragon of enlightened virtue; and transform Lima into the metropolis of South America—if not, indeed, of a more extensive region. Before the Arequipa road was finished, work on “the railway to the moon,” the masterpiece-to-be of Peru’s “Messiah of the Railway,” was to be commenced.

Peru, on the date mentioned, was at the high point of that tragic disease “railway fever,” though at the time it was not recognized as a disease, nor had its deadly effects been anticipated by more than an isolated few. Hence the excitement.

The inauguration was a great event, and "Don Enrique," as Meiggs already was known the length of the South Pacific, spared nothing to make it memorable.

The site chosen for the laying of the stone lay just outside the Monserrate gateway of the ancient walls of Lima, still existing, though in ruins. The choice was an excellent one. Some seven miles to the southwest the breakers of the Pacific rolled ceaselessly upon the shore at Callao, one of the termini of the projected railway. To the east and northeast rose the mighty ramparts of the yet unconquered Andes, bare and earth-colored near at hand, but rising and receding, blue and bluer, toward the snow-covered summits beyond which was to be located the other terminus in the center of Peru's fabulous mineral wealth. And there, lying between the inaugural site and the mountains, was the "City of the Kings," whose people were in greatest measure to be benefited by this tremendous new development. The stage, from every point of view, was most imposing.

Distant a mile and a half, in the heart of Lima, lay the Plaza de Armas, the original square which had been laid out by Francisco Pizarro in 1535 and on one side of which that mighty man of blood and brawn had built his *Palacio de Gobierno*. Various military groups were converging on the plaza from twelve until two o'clock on this New Year's Day. As they arrived, they were stationed along the streets that led to the Monserrate gateway, finally lining both sides for the entire distance. These forces consisted of three brigades of artillery, three squadrons of cavalry, and six battalions of infantry, all resplendent in parade uniforms.

At one o'clock the numerous civil, political, and military corporations of the city which had been invited to participate in the parade and the ceremony met in the grand salon of the *Palacio*—a palace newer and much larger than that of Pizarro—in which were the president's offices and his official residence. At two o'clock they issued from the palace, formed a column, and made their leisurely way to the inaugural site. The participants, named in the order which they occupied in the column of march, were the following:

The Society of Artisans; Officers of the Municipality of Lima; Chief of Police; Prefect of the Department of Lima; Judges of the Court of First Instance; Illustrious Superior Court of Justice; Great Tribunal of Accounts; Foreign Diplomatic and Consular Corps resident in Lima; Chief Official of the Ministry of Foreign Relations; Most Excellent Supreme Court of Justice; His Excellency the President of the Republic, Colonel don José Balta, accompanied by the ministers of state who formed his cabinet; Generals Buendía, Iturregui, Seguro, Biengolea, and Morote; Society of the Victors of Independence; a numerous staff formed of the chiefs and officials of *gendarmería* and unattached officials then in Lima; a guard of honor; and the Army, headed by the Chief of the Line, General don José Allende.

At Monserrate were also present the French, Italian, and Peruvian volunteer fire brigades, all, of course, in parade dress. Bodies of cavalry and artillery surrounded the site of the stone-laying, soldiers of the infantry swarmed upon the old city walls, and some thirty thousand of the populace occupied the remaining space. The Peruvian bicolored flag was displayed profusely.

About three o'clock President Balta and his entourage arrived, and the actual ceremonies were begun. Don Enrique, grasping the instruments which the President was to use in placing the stone, made an address, from which these quotations are drawn:

Most Excellent Sir:

The first of January 1870 will mark in the history of Peru the epoch of its glorious rebirth: today you are going to have the unfading and enviable glory of placing the first stone of the Central Trans-Andean Railway, and I, the most humble workman of this undertaking, am filled with pride and satisfaction at having the honor of putting in your hands the instruments which are happily to initiate the truly titanic work destined to scale the summits of the Andes and to unite with bonds of iron the people of the Pacific and the Atlantic. . . .

The necessity and importance of this work will be engraved in the mind of every Peruvian, and its immense transcendancy will very shortly be felt in all spheres of human activity.

This happy event proclaims in the future a great social revolution whose triumph and whose benefits are entrusted to the locomotive, that irresistible battering-ram of modern civilization. At its pressure will fall those granite masses which physical nature until today has opposed to the agricultural, industrial, and mercantile aggrandizement of the Peruvian nation. Its whistle will awaken the native race from the lethargy in which its dominators, supported in abjection and isolation, have kept it for so many centuries under the sudarium of error and ignorance. . . .

Steam, which shortens time and cuts distances, is the most rapid and secure means of introducing life and material development to the backward Amazonian regions. . . .

The Central Trans-Andean Railway must, [for the reasons expressed, under all its aspects,] be considered as a grand step forward in the path of the moral and material progress of the Republic, and its inauguration will be saluted with jubilation and enthusiasm by all the sincere friends of the greatness of America.

Peru, ever noble and generous, will later inscribe in the book of its glorious history at the head of its lofty benefactors, the names of all the illustrious citizens to whose indefatigable exertions and patriotism is due the establishment of this iron road.

And no one will have the right to shine in this legion of exalted beings with more justice and reason than the members that compose the present administration, to whose elevated enlightenment and profound faith in the future the Republic will be the debtor for the realization of this colossal work. . . .

I have spoken.

Thereupon the Illustrious Archbishop of Lima, Dr. D. José Sebastián de Goyeneche y Barreda, blessed the first stone and in it the future of Peru. |

Next, the Minister of Public Works, Dr. D. Mariano Dorado, addressed the multitude. He too spoke of the effects which the railways would have upon the Peruvian people and nation:

When the locomotive in its swift career shall surmount the snowy crests of the cordillera of the Andes, when those immense masses shall feel themselves oppressed by its weight, they will thrill with gladness, resounding in the depths of their caverns the prolonged echoes with which they announce to more distant peoples of the earth the great



day of South American civilization. . . . And the powerful and impressive voice of steam will cause to vibrate again the foundations of those colossal mountains, and the venerated ghosts of Manco and of Atahualpa<sup>1</sup> issuing from their age-old tombs, filled with admiration and enthusiasm, will bless the protecting hand which brings their sons, joined with happiness and abundance, the wonderful advantages of the nineteenth century.

On the conclusion of Sr. Dorado's address, President Balta—apparently without making a speech, and assisted by artisans skilled in the work—placed the stone which had been the subject of the blessing and the oratory.<sup>2</sup>

The serious business of the day completed, the President and some eight hundred officials and individuals of more or less importance, on invitation of Don Enrique, moved to the building which had formerly housed the military school. There they had lunch in celebration of the occasion.

The tables were spread in the first patio of the building, the columns, the roof, and other parts of which had been highly decorated. One element of the decorations consisted of many small flags of Peru and of the United States interlaced. Prominently displayed, and composed of golden letters of large size, appeared the device, "HONOR TO LABOR, PEACE AND PROGRESS, UNION AND GROWTH, GLORY TO PERU." At intervals a military band performed, contributing materially to the enjoyment and the impressiveness of the occasion.

In the words of a reporter, "A single idea, a single purpose dominated everyone: to celebrate the undertaking which had been initiated and to express the fervent wish that the work on the railway might go forward to a happy conclusion." Many toasts were proposed and "taken"—to use the Peruvian expression—the first being that of the Bolivian minister to Peru, Sr. D. Juan de la Cruz Benavente, dean of the diplomatic corps and a warm personal friend of Don Enrique:

<sup>1</sup> Manco Ccapac, legendary founder of the Inca Empire, and Atahualpa, one of its last rulers.

<sup>2</sup> Inscribed on the stone were the names of the President, the officers of his cabinet with their respective posts, the name of Ernesto Malinowski, engineer-in-chief of the road, and that of Meiggs as contractor (*El Comercio*, Lima, Jan. 3, 1870).

"To the peace of Peru, which permits the government to undertake works such as that which today has been inaugurated. The future of governments and of peoples is based on labor. Today we are entering on this way through the powerful influence of a gigantic son of North America who has come to erase from our dictionary the word *impossible*."

This toast was greeted with prolonged applause, after which it was "taken." Mr. Meiggs then replied with another address, again elaborating on the colossal developments that the railway, once completed, would bring to the country. He concluded with the toast "Let us drink to the peace and the progress of Peru."

The toast of President Balta must not be ignored: "Gentlemen: The glory of governments is also that of those who dedicate themselves to it. Don Enrique Meiggs has it in the sense that he is the first contractor of Peru. I drink then to Don Enrique Meiggs."

The Muse of Poesy was called upon to contribute to the celebration. A lengthy and highly laudatory poem entitled "To Henry Meiggs," written by one Manuel Castillo, had been printed on handbills. These were passed among the assemblage at the moment when, to the strains of "Espíritu Santo," President Balta entered the patio. Pedro Paz Soldán y Unánue (*Juan de Arona*), a poet and writer of considerable ability, recited two sonnets. One was entitled "To Junín," and celebrated the revolutionary victory gained by the forces of Bolívar in the high Andean valley of that name, a valley which was to be reached eventually by the railway. The other bore the title "To the 1st of January." Freely translated, it runs:

Never was a year opened with greater splendor:  
Today Peru as a Nation has its beginning,  
And in the posture of a nation orders  
That the bulwarks of the Andes be broken.

Make ready, O Fame, your glorious trumpet  
And announce to the world the renowned work  
By which a people is engulfed and transported,  
Free already of the idleness that corrupts it.

By the same hidden gorge  
 By which so many ruthless warriors  
 Went up—alas, their destroyer balked them!—

Today, making implements of swords,  
 BALTA, followed by MEIGGS, goes up  
 Commanding a legion of workers.<sup>3</sup>

At length the toasts, the speeches, and the repast were finished; and the President withdrew. Then the entire party dispersed, many guests, glowing with enthusiasm for the great venture which they had so happily assisted in starting, stopping for a word of appreciation and congratulation to Mr. Meiggs.

Placing the terminal period to the affair, Don Enrique published in the local papers a card in which he expressed his cordial thanks to all who had honored him by attending the lunch. He begged that they would excuse whatever faults they may have noticed—they were due either to insuperable causes or to the pressure of time. Further, in order to mollify those who may have been offended because they had not been invited to the lunch, he begged forgiveness for "omissions which by the fault, perhaps involuntary, of the distributors, had been committed in the giving of invitations."<sup>4</sup>

<sup>3</sup> The foregoing account of the inauguration and the celebration is derived from the Lima paper, *El Comercio*, of Jan. 3, 1870. Every paper of the city devoted much space to the subject, *El Nacional* of January 2 giving almost the whole of pages 1 and 2 to it.

<sup>4</sup> *El Nacional*, Jan. 3-7, 1870. In Meiggs's cash book (*Caja*, Enero, 1870, a Agosto, 1871, p. 3) appears a group of entries under the heading "Expenses of the inauguration of the Oroya Railway at Lima-Callao":

Jan. 29, El Peruano, printing.....	S/ 33.00
Jan. 11, Decorating saloon.....	76.20
Jan. 8, Dom. Zalestina, coaches.....	93.20
Jan. 24, Luis Sala, silversmith.....	664.80
Jan. 27, Rails to Monserrate.....	68.80
Jan. 29, Chairs to Callao.....	14.00
Feb. 17, El Nacional.....	400.00
Mch. 3, Kuhn & Krausslach, hire of chairs.....	334.80
Mch. 16, Distributing medals at Chorrillos.....	5.00

S/1,818.80

The entry of S/664.80 paid to Luis Sala represents the cost, in part at least, of medals cast and distributed to the principal guests. This medal, considerably larger in all its dimensions than a silver dollar, represents on the obverse a railway locomotive with cars about to pass into a tunnel which is piercing

A study of these activities of January 1, 1870, leaves two clear impressions: first, that the celebrants, after the Latin fashion, were exceedingly enthusiastic, if not semihysterical, because of the commencement of work on the railway and the great changes of a fundamental nature which they expected the completed road to effect; second, that Henry Meiggs, through whose agency these developments were expected to be realized, occupied in the public mind almost the position of a demigod.

It seems well to pause for a moment and take a backward glance at some features of Peru's history. By so doing, one learns the train of events, the lines of thought, which gave rise to the activities just described and the national psychology there disclosed.

To appreciate Peru's need of better communications three quarters of a century ago, one requires no more than a superficial knowledge of its physical, economic, and social geography. Since the southern nitrate-producing provinces had not yet been lost to Chile, the country's area was somewhat greater than 500,000 square miles. From north to south it stretched two thousand miles along a rainless coast, desert except for the highly productive irrigated river valleys whose life-giving streams were fed by the melting snows and the rains of the Andean cordillera. In these valleys were the rich cotton, sugar, and rice plantations, operated on the one-crop system.

Running the length of the country towers the rugged mass of the Andes, approached from the sea by wild gorges which lead upward from the interior limits of the river valleys. In most sections no agricultural or stock-raising activities were, or are, possible in the mountains below the 7,000-foot level. From that point upward, however, to 12,500 feet on the margin of Lake Titicaca, and even beyond, are found the tablelands and the *punas*, or bleak mountain valleys, where rain falls and where there is, consequently, forage for herds and

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the Andes mountains. On the reverse appear the name of the church dignitary who blessed the stone, the names of the President and members of his cabinet, and those of Malinowski and Meiggs. Costa-Laurent declares that the entire cost of the inauguration of this road was S/47,468.78 (*El Ferrocarril de Huancaavelica*, pp. 15-18).



suitable conditions for the production of cereals and various other crops. It is unnecessary, perhaps, to add that it is mainly also in this high mountain region that the most valuable mineral deposits are located.

Farther to the eastward is the *montaña*—a region of ample moisture, wooded, mountainous or hilly, which falls away to the eastward and, in the degree that it descends, is semitropical or tropical.

In the absence of means of communication other than trails, most of them poor, it was difficult, if not actually impossible, to transport to the seacoast towns any surplus product of the mountains and the *montaña*. It is understandable that under such conditions foreigners would hesitate to enter the region with their capital in an effort to develop its wealth.

The social geography of Peru was almost as divided and difficult as the physical. An official census of 1876 placed the total number of inhabitants at 2,699,945.<sup>5</sup> This means that the density of population was less than 6 per square mile. The valleys of the coastal region were in the main thickly settled, as were also many valleys in the cordillera. But the greater part of the white element of the population was living in the coastal region, whereas the population of the Andean and *montaña* regions was in the main composed of pure-blooded Indians. There were, of course, some Indians in the coastal cities and on the plantations of the littoral, as well as a large element of mixed Spanish and Indian, or *mestizos*. Likewise, there were whites and *mestizos* in the mountain cities, but in much smaller proportion than on the coast.

In short, the most significant feature of Peruvian life in the middle of the nineteenth century—and later—was its lack of unity, geographic, economic, and social.

It is not to be supposed that intelligent Peruvians were ignorant of this situation and of its implications. From the era of independence they were understood and discussed. But, previous to the mid-century, there seemed to be no source of wealth that could be converted into good roads or railways,

<sup>5</sup> *Resumen del Censo General de Habitantes del Perú hecho en 1876* (Lima, 1878), table after p. 846.

assuming that there had been a demand for them and an opportunity to build them. However, in the 1840's guano—the manure of birds which for millenia had been deposited in great quantity on the headlands of the rainless coast and on the near-by islands—began to be taken out and marketed. In the course of a decade or two the Peruvians came to realize its possibilities. Simultaneously railroad construction was going forward in the United States, in Europe, and even in the neighboring—and rival—country of Chile. So, gradually, after 1850 Peruvians came to associate the nation's wealth in guano with the building of railways.

The first railway of Peru was the eight-mile road which connected Callao, Peru's leading seaport, with Lima. It was shortly extended another seven or eight miles to Chorrillos, at the time a sort of Newport of Lima. This road was built by an English company which on December 4, 1848, was granted a concession for constructing the railway. The first train passed over the abbreviated road on May 17, 1851.<sup>6</sup> This line of small capital and much business prospered from the beginning and furnished, consequently, an incentive to railway thinking on a broader scale. In the mid-1850's a railroad of some forty miles was built in Southern Peru, linking Tacna and Arica.

In the course of the decade following 1855 interest in railways increased in Peru. In 1856 Ernesto Malinowski, engineer-in-chief of the state, addressed a memorial to Congress on the subject, advocating the building of a national system. Shortly thereafter the Congress provided funds for preliminary surveys of four routes from the coast to the interior.<sup>7</sup> Chile's renewal of work on the Valparaíso-Santiago road furnished an incentive for further thought on railroads. Pamphlets were published on different aspects of the subject; newspapers gave more space to its discussion.

<sup>6</sup> *Documentos Parlamentarios*, 1876, Vol. II. "Memoria del Ministro de Gobierno, Policía y Obras Públicas al Congreso Ordinario de 1876, Anexos T, U, V," p. 3.

<sup>7</sup> *Peruvian Evening Chronicle* (Callao), April 21, 1873. Malinowski, a Pole, had fled his country for political reasons and come to Peru some years earlier.

In 1862 appeared a work from the pen of Manuel Pardo on the general subject of Peruvian railways, but with special reference to the value of a line that would connect Lima with the Province of Jauja.<sup>8</sup> Since Sr. Pardo had at the time some reputation as an economist (it was enhanced with time), and as the arguments he advanced in this work were employed in some form or other by practically everyone who discussed the subject down to 1872, or even later, his line of reasoning deserves to be presented in some detail.

Three or four millions of *soles*<sup>9</sup> dedicated annually to the construction of great railway lines, declared Sr. Pardo, would be sufficient to assure the future of the country. The system which he believed ought to be built would comprise these elements: (1) a line in the South uniting Chala, or some other coastal point, with Cuzco, which would bring to the southern departments the vitality that they lacked and would make possible the exploitation of the agricultural and mineral riches that under existing conditions were being lost; (2) a line in the North which would unite Cajamarca with the Pacific, traversing the two rich departments of the North (Cajamarca and Libertad), bringing at the same time the *montaña* nearer the coast; (3) a line which would bring the Department of Junín (it lies at the center of Peru), "with its grains, its herds, its articles of food of all sorts, with its coal, its marbles, its minerals, with its infinite riches, within four or five hours of the capital of the Republic." These three lines, he continued, should be linked by (4) a coastal road running from Chala northward to unite with the Cajamarca road at its junction with the coast.<sup>10</sup> The cost of these roads would be not more than 100,000,000 *soles*. This sum the government could raise by hypothecating a portion of the guano annually taken out. Let the government guarantee to the contractors an income of 7 per cent on the investment, and it was not to be doubted that sufficient, perhaps more than enough, European capital would be quickly available. And, he exhorted his readers,

<sup>8</sup> *Estudios sobre la Provincia de Jauja* (Lima, 1862), 65 pp. The author was president of Peru in the years 1872-1876.

<sup>9</sup> The Peruvian dollar is the *sol* (sun), which consists of 100 *centavos*, or ten *reales*, and was worth in 1862 and until 1875 about 95 cents American.

<sup>10</sup> *Ibid.*, pp. 6-7.

Let there be no talk of the obstacles which the terrain presents, nor of the *impossibilities* which always are cited in this class of discussions. At the moment when, across a dike of the Andes, the Atlantic and Pacific Oceans are united by the stroke of genius, and in which two continents, Africa and Asia, are going to be separated by the hand of man,<sup>11</sup> we cannot be dubbed visionaries for believing firmly that a railway which will subdue the Andes would not offer insuperable obstacles that will oblige the mechanical engineer of the nineteenth century to bow his head and confess his impotence.<sup>12</sup>

The author made reference to the reports of Malinowski and studies made by others to support his belief in the feasibility of the railroads which he argued for. And he reproached the national officials for inattention to these scientific investigations. "In the halls of the ministries," said he, "the works of the Suez Canal will, perhaps, be discussed with better data than will the most insignificant wagon-road of Peru."<sup>13</sup>

Sr. Pardo then turned his attention specifically to the advantages which he believed would accrue to the country from the building of a railroad to the Department of Junín. He declared that in the relatively small extent of that department were to be found all the climates of the world and the products of all geographic zones. (This cannot be considered a greatly exaggerated statement. That department extends in central Peru from the highest crests of the Andes eastward and down into the tropical *montaña* in the upper reaches of the Amazon River.) To unite this region with the littoral would bring the greatest advantages to the state, to commerce, and to the general prosperity of the country.<sup>14</sup>

The writer then particularized on the wealth of the Province of Jauja, the southern, and nearest to Lima, of the three provinces that comprised the Department of Junín. (Actually, the department embraced four provinces—those of Huánuco, Cerro de Pasco, Tarma, and Jauja—but he considered the last two as one.) He elaborated on its mineral wealth—not so well known but almost as extensive as that of the Province

<sup>11</sup> The references are to the Panama Railroad, which a short time previously had been completed, and to the Suez Canal, which was at the time under construction—completed, it will be remembered, in 1869.

<sup>12</sup> *Ibid.*, p. 8.

<sup>13</sup> *Ibid.*, p. 9.

<sup>14</sup> *Ibid.*, p. 11.



of Cerro de Pasco—silver, copper, marble, coal. But the railway would not merely give movement and development to the wealth that already existed. It would perform the miracle of creating values where they were before nonexistent. It would utilize things which previously were useless. Consider coal, for example. There it was, lying valueless in the heights of Morococha, only thirty leagues from Lima. And for the service of the coastal region in that essential product, Peru was importing annually 200,000 tons from a distance of 2,000 leagues at a cost of 3,000,000 *soles*. Another instance. The Province of Jauja and various other provinces of the Department of Huancavelica, lying to the southward, produced cereals of excellent quality and could produce enough to supply the entire Department of Lima. Yet, for lack of railways, that excess of productions was an imaginary quantity in place of being a real and tangible value, and each year Peru brought in from Chile 300,000 *fanegas*<sup>15</sup> of wheat, for which it had to pay by great labor nearly 2,000,000 *soles*. And what happened with respect to coal and wheat, happened with respect to thousands of other articles.<sup>16</sup>

Railways to the interior, in the opinion of Sr. Pardo, would aid materially in solving Peru's immigration problem. Up to the time at which he was writing, Peru's efforts (and they had been considerable, though ineffective) had been devoted to trying to induce English, Germans, and Americans to enter the country and settle in the desert (that is, the unoccupied) *montaña*. There, in case there had actually been such immigrants, they would have formed an element very different from the Peruvian. And, because of their isolated situation due to lack of good communications, they would have been practically beyond the authority of the government. This was not the way in which immigration had operated in the United States. There the incoming foreigners had settled in great measure in the cities along the Atlantic coast. Then, as population pressure increased in the East, individuals, not necessarily of the immigrant class, had moved westward to occupy the interior, the resulting population thus being homogeneous with that of

<sup>15</sup> One *fanega* equals about 1.6 bushels.

<sup>16</sup> *Ibid.*, pp. 17-19, 29.

the eastern region. It should operate in that manner in Peru. Let there be an effort made to link the regions to be colonized with the rest of Peru, and population would flow thither. Railroads would contribute to the realization of this desirable end.<sup>17</sup>

Guano, at the time the primary element in Peru's national economy, rightly claimed extended treatment by the economist. That curious and fortuitous product had placed Peru under the influence of a double economic phenomenon: "Peru, thanks to guano, is able to consume and is consuming from abroad today three times more than that which it naturally produces; and the Government of Peru can spend and it does spend four times more than its domestic income."<sup>18</sup>

Peru, he said, which in 1845 was consuming and exporting products to the value of 7,000,000 *soles*, more or less, was in 1862 consuming 21,000,000 in foreign merchandise, which it was paying for with the same 7,000,000 in domestic products plus 14,000,000 in guano. This situation was exceedingly convenient at the time, but it could not last forever, and it presented a terrifying prospect for anyone who thought about the near future.

From 1847 to 1853, five years of relative peace and prosperity (the latest available official figures were those for 1853), declared Sr. Pardo, the figure of Peruvian exportations had in no respect been increased. In fact, there were articles that had entirely disappeared from the list of exports. On the other hand, imports—that is to say, national consumption—had increased from year to year. But the day was not far distant when the last ton of guano would be taken from the islands; and if the domestic production and the consumption of Peru should then maintain the same ratio, the Peruvians would find themselves with only seven or eight millions of domestic production to pay for the twenty-five or thirty millions which they had been accustomed to consuming. That day would bring to Peru a frightful cataclysm unless strong measures were taken to prevent it.

The sole means of avoiding that cataclysm was to increase

<sup>17</sup> *Ibid.*, pp. 33-36.

<sup>18</sup> *Ibid.*, p. 41.

the domestic production of Peru. That could be done only gradually; hence there was necessity for early action. (Let it be said here that Fate was to decree that this same Manuel Pardo should be Peru's president when the cataclysmic day which he had so clearly foreseen and emphatically foretold, supervened.)

But results other than economic would be realized through a railway to Jauja. It would bring in its train also moral, hygienic, and political repercussions—perhaps as important as the economic. The first of these consequences, the moral, was later frequently mentioned. Public speakers and writers proclaimed again and again that “the whistle of the locomotive would arouse the Indian from his centuries-old lethargy.” On this point, Sr. Pardo declared:

If railways are called to exercise a redeeming mission in the wild deserts of America, no less are they to effect a moral and intellectual revolution in the backward and ignorant masses that form the bulk of our population. Means of communication will exercise their beneficent influence in two ways. In one way by giving mobility to men who today pass their life and die nailed like stones or plants where nature cast them down, for mobility for them is shortly material liberty and a principle also of moral liberty to the extent that the bonds by which immobility has held them subject are loosened. Mobility brings also enlightenment; not, of course, the enlightenment of books and theories, but the practical science of life which frequent communication with men gives.<sup>19</sup>

Moreover, the material enrichment which railways bring produces a true increase in civilization, in the moral and intellectual betterment of peoples whose territory the railways traverse:

Merely bettering their moral condition can give them those principles of personal dignity and independence without which they can never be anything but miserable helots, commoners attached to the soil and blind instruments of everyone who cuts a cudgel to order them about. By bettering the material condition of our people, we shall oppose the most effective barricade against the advances of tyranny of one part and the other against the forces of the anarchists. That is

<sup>19</sup> *Ibid.*, pp. 47-48.

the second means whereby railways ought to exercise their moral influence upon populations.<sup>20</sup>

Regarding the probable effect on national health of a railway to Jauja, the pamphleteer asserted that it was a well-known fact that the climate of Lima and other parts of the coast was highly insalubrious. Consumption prevailed there to an alarming extent; dysentery attacked many. It was equally well known that the climate of Jauja was an antidote for consumption and that its climate and water were helpful in the treatment of dysentery. "The railway to Jauja would modify very favorably the lamentable consequences of both diseases."<sup>21</sup>

The strategic value of this railway would be considerable. The Department of Junín was in the center of Peru. Its union with the coast by a railway would make of the Departments of Lima and Junín as far as the *montaña* a powerful line which would interrupt completely communication between the two extremes of Peru.

Its climate, its wealth, its cheapness of living, and its population would make of it the general barracks of the Republic; and an army encamped in Junín would be able to repair with equal celerity to Ayacucho [in the South] or to Trujillo [in the North], to the banks of the Ucayali [a river in the East], or to be in six hours embarked in our steamships, if its services should be required on our coast. Order in the interior and respectability abroad would gain not a little with such military advantages.<sup>22</sup>

Sr. Pardo closed his work by presenting some suppositious figures with which he tried to prove that the railway to Jauja, through its freight and passenger receipts, would readily pay a satisfactory interest on the investment and, "perhaps," repay the capital that should be expended in its building.<sup>23</sup> The Oroya Railway, inaugurated by the extravagant ceremonies of January 1, 1870, was an attempt to realize Pardo's dream.

History has proved that in the main Manuel Pardo's analysis of Peru's situation and his notions regarding the ef-

<sup>20</sup> *Ibid.*

<sup>22</sup> *Ibid.*, p. 49.

<sup>21</sup> *Ibid.*, pp. 49-50.

<sup>23</sup> *Ibid.*, pp. 64-66.



fects that would probably spring from good means of communication were acute and correct. His great error, and it was truly a great one, concerned the time element. Sr. Pardo expected that railways would produce the anticipated improvements speedily. He was far too sanguine. And what rendered his error more grave is the fact that, as sentiment favoring the building of railways became stronger toward the end of the decade, those in positions of influence asserted—and the public echoed them—that those results would appear much more rapidly than even Sr. Pardo had supposed.

In the succeeding lustrum, to the degree that political upheavals permitted, these arguments were repeated and elaborated. Events abroad gave added emphasis and encouraged the belief that Peru must have railways. In the United States, with the conclusion of the Civil War, the first transcontinental line was being rushed to completion. In Peru it was asserted that progress and civilization could be realized only by advancing the welfare of the masses and that this end could best be attained by providing better means of communication. A simple glance at the United States would supply indisputable proof of this contention. There one saw "industry developed to its greatest expression, commerce prospering more and more each day, the happiness and wealth of the people incomparable with those of any other nation whatsoever." But in Peru, where also there was much wealth, there was not "one good wagon-road, a bridge of importance, a railroad, or a telegraph of any magnitude."<sup>24</sup>

In Chile, as already observed, there had been a decided development in the railway field. Several lines had been built, including that from Valparaíso to Santiago. These roads further exemplified to the Peruvians the value of railways and stirred in them an anxious spirit of rivalry. The assertion was made that in Chile railroads had tripled the value of property, had produced great fortunes in a few years, and had given the republic a great weight in the balance of the American states. Concerning the last point, one editor wrote: "Peru ought to have among them [the American states], because of its natural

<sup>24</sup> Editorial in *El Nacional* (2d ed.), Feb. 28, 1868.

conditions, the right to primacy; but, completely occupied with convulsions of the barracks and puffed up with being the possessor of riches which tomorrow will be exhausted, it has slept within its granite shell, leaving in a state of abandonment the treasures which await the action of labor.<sup>25</sup>

It was argued that the building of railroads would remove the cause of revolutions by putting men to work and increasing their prosperity. It was asserted that revolutions were no more than the convulsions of people who hoped to find in changes of government the advantages which they were unable to secure through labor:

A mass of people who exist in the midst of penury and who have but somber anticipations for themselves and for their descendants, cannot form a pacific society. . . .

Poverty which looks for a decent living, degeneration of power which has turned paternal and absolute, repression and confusion in the natural evolution of the country—such is the origin of our revolution.<sup>26</sup>

It seems probable that if the country had remained at peace through the 1860's, a railway program would have been started earlier than midyear of 1868. But that was not the case. Trouble with Spain began anew in 1864. The war of independence had been concluded not by a treaty but by a mere truce, and Spain had been awaiting an opportunity to re-establish itself on the Pacific. That opportunity appeared to be at hand when the United States became immersed in its Civil War at a time when domestic conditions in Peru were anything but good. Though Spain was constrained to withdraw after two years, in the meantime there occurred a revolution which brought General Ignacio Prado into power as dictator.

Then, late in 1867, another revolution broke out, presumably with the object of overthrowing the dictatorship and re-establishing constitutionalism. General Prado led an army against Arequipa, which was occupied by forces commanded by General Pedro Diez Canseco. Another campaign was in progress in the country north of Lima, where the revolutionary

<sup>25</sup> *Ibid.*, Oct. 23, 1868.

<sup>26</sup> *Ibid.*, Feb. 11, 1869.

forces were led by Colonel José Balta. Of this struggle, a Peruvian (supposed by Dávalos y Lissón to have been Quimper, a man prominent in public life) wrote these pithy lines:

In this country where nothing is more illogical than politics, we see today the phenomenon of two armies very near to destroying each other for a constitution which neither of them loves and which the one has not accepted and the other breaks at the same moment. This is the gilded part of the question, but if the gilt be removed, that which is discovered is persons who dispute with each other for power, and who are sustained, the one group by those who are now enjoying the national income and the other by those who at the entry of the former to the command, lost that right.<sup>27</sup>

The Peruvian historian Dávalos y Lissón makes the statement that the production of guano corrupted the country. It "awakened the cupidity of bad citizens and caused the weakness of governments."<sup>28</sup> That is to say, it encouraged the "outs" to resort to revolutionary movements in order to come into power and into enjoyment of the profits of office—profits intimately linked with the pungent product guano.

The discovery of new sources of wealth in Peru—first guano, then nitrates—joined with the practice of granting fiscal monopolies, led to the sudden rise of a plutocracy. It was soon, by its wealth and its prestige, able to overpower the old Peruvian families that were dominant formerly.<sup>29</sup> This was precisely the development that was under way in the United States in the corresponding period.<sup>30</sup> The result, however, was more serious in Peru, where—despite what is known of our own disgraceful *Crédit Mobilier* and similar matters—it must be said that wealth came more directly into control of the government. In Peru the national resources were massed in the hands of the officials and a relatively small number of

<sup>27</sup> Quoted by Pedro Dávalos y Lissón, *La Primera Centuria* (Lima, 1926), IV, 222.

<sup>28</sup> *Ibid.*, IV, 67.

<sup>29</sup> Francisco García Calderón, *Latin America; Its Rise and Progress* (London, 1913), p. 119. García Calderón was the son of a president of Peru.

<sup>30</sup> See Charles A. and Mary R. Beard, *The Rise of American Civilization* (New York, 1930), *passim*; Matthew Josephson, *The Robber Barons; the Great American Capitalists, 1861-1901* (New York, 1934), and Oscar Lewis, *The Big Four* (New York, 1938).

citizens, most of whom contrived to be in the government in some connection. The practical monopoly of wealth by the state attracted to it all of the ambitious. As a Peruvian pamphleteer expressed it, "The objective point of all aspirations is the center of the system of exclusive activity which flutters round about the Government. Thence the revolutions, almost always, and the origin of the rage for public office."<sup>81</sup>

The revolution of 1867-1868 ended in a victory for the "outs"; and General Diez Canseco, a native of Arequipa, became president for a brief period. With the interests of his section uppermost in his mind, he had hastened to make the Meiggs contract for the construction of a railway from Mejía to Arequipa—and the movement was on. Sectional rivalry demanded that railways be constructed in every other part of the country, and the succeeding government, headed by a man who was himself of the north central section, was not slow in contracting for their building.

Here, then, at the opening of 1868, was the Peruvian situation in so far as it had any relation to the construction of public works—a phrase which came to mean, almost exclusively, railways. There was a realization that agriculture and industry were backward, and a conviction that the construction of railways would cause them immediately to flourish and would thereby bring innumerable advantages to the entire nation. There was available the material wealth embodied in guano and nitrates, already somewhat heavily pledged in the case of guano to the payment of past indebtedness, but ample in the rosy dreams of the leaders for the building of their greatly desired public works. There was a government which, while theoretically constitutional and republican, was actually simply a dictatorship. There was in control of that government a plutocracy which had as its primary aim the acquisition of more wealth, which had few scruples as to the manner of its acquisition, and which saw in rich public-works contracts its opportunity. Moreover, many of the more moral and straight-thinking element believed seriously that the construction of

<sup>81</sup> Federico Torrico, *op. cit.*, p. viii.



public works would bring well-being to the masses and militate against continuous overturns in government.

Henry Adams declared that in the United States the generation of the years 1865 to 1895 was mortgaged to the railways.<sup>32</sup> With equal justification the statement, advancing the dates two or three years, could be made of Peru.

In 1878 a Peruvian congressman, a Sr. Zapatel, from the vantage point of ten years afterward (his country being then in the midst of the sorry experiences which railway contracts had brought to it), described vividly the circumstances and the psychology which had caused onerous and exaggerated contracts to be made:

There was a period in our political history when the limitless ambition for riches, sustained by the natural temperament of our race, obfuscated public spirit in such manner that with dizzy speed we entered into the life of the most advanced countries. The most dangerous combinations of credit; the most daring undertakings and the most glaring (*apatecible*) immorality exalted to such degree the national credit that it was believed that the age of gold and of progress had arrived for Peru. And the origin of such felicity was attributed to that magic phrase: *public works*. The noise of the locomotive must be mingled with the thunder on the summit of the Andes; the golden dream of finding in the perforation of the mountains layers of native silver; twenty thousand arms occupied in the work and abundantly recompensed; these and other phantasmagorias produced such enthusiasm and sympathy for *public works* that anyone who had combated them would have been accused of being insane.<sup>33</sup>

In all fairness it must be said that not *every* Peruvian shared in this species of dementia. In a debate in the Senate on December 29, 1868, when a sheaf of railway contracts was being considered, Sr. Ruso was daring enough to face the universal enthusiasm with a pertinent question. He asked whether it were necessary that the locomotive go "to awaken with its blast the lazy Indian who was sleeping the sleep of stupefaction." And he added: "In good time: but let us be careful also that that civilizing blast be not at the same time the moan

<sup>32</sup> Quoted in Josephson, *op. cit.*, p. 75.

<sup>33</sup> *Diario de los Debates, Cámara de Diputados, Congreso Ordinario de 1878*, II, 226.

of hunger which will announce the penury of the treasury from which, exhausted as it now is, is demanded the sacrifice of prodigious sums for the construction of those works.”<sup>84</sup>

But in 1868 such an attitude was very rare, and rarer still was the courage that would give it expression. Peru’s governing plutocracy, the general public, and perhaps one should add the foreign financiers who would probably be called upon to float the necessary loans, were convinced that Peru must have railways, many railways, and at once. Regarding the reasoning of the Peruvians on the matter, an Englishman wrote:

It is incredible, but none the less true, that the Peruvians believing the mercantile “progress” of the United States to spring from railways, thought that nothing more was needed to raise their country to the pinnacle of commercial magnificence than to build a few of these iron ways, and have magic horses fed with fire to caper along them; especially if they could get an American—a real go-a-head American—for their builder. And they did.<sup>85</sup>

The contractor who had sufficient credit and courage to face the difficulties involved in building railways to the summit of the Andes was found in a daring son of North America. That man, already famous for his railroad-building achievements in Chile, was Henry Meiggs.

<sup>84</sup> *Ibid.*, *Cámara de Senadores*, Congreso de 1868, p. 587.

<sup>85</sup> A. J. Duffield, *Peru in the Guano Age*, p. 121. Duffield had spent several years in Peru and was an acute, if not an entirely sympathetic, observer.

## BALTA; MORE RAILWAY CONTRACTS

THE MAKING of the Arequipa Railway contract was but one of the uneconomical activities of the Diez Canseco government. On seating itself at Lima in January, 1868, it had at once revoked many of the acts of its predecessor which had had a tendency toward economy. One of these revocations brought back to posts in the government numerous persons who had been dismissed in 1866. The restorations were accompanied by the payment of salaries of the respective offices, which had not been drawn—nor earned—in the interim. The Diez Canseco government turned anew to “the way of waste and exaggerated fiscal bureaucracy.” It possessed neither the courage nor the desire to preserve the reforms that Manuel Pardo, former Secretary of the Treasury, had installed. Peru continued in this short period “to live at the expense of its future,” as it was expressed by Diez Canseco’s Secretary of the Treasury, Juan Ignacio Elguera.<sup>1</sup>

The damage would not have been irreparable, it may be, had the succeeding government been of an opposite character to that of Diez Canseco. But that was by no means the case.

The president whose election was recognized by the Peruvian congress on July 28, 1868, and who assumed office on August 2 of the same year, was Colonel José Balta, whose personal friend Meiggs was shortly to become. He was a native of Chiclayo, of North Central Peru, and in that region had participated successfully in the revolution of 1867-1868. His election was due largely to the popularity which his revolutionary activities had inspired. Dávalos y Lissón declares

<sup>1</sup> Dávalos y Lissón, *La Primera Centuria*, IV, 232.

that "the triumph of the candidate signified . . . the triumph of democratic ideas."<sup>2</sup> Coming to the presidency as he did, without a mass of partisan pledges, his administration might be considered to have been inaugurated under happy auspices.

These advantages were insufficient, however, to assure a successful administration, for the entire social and economic situation which confronted Balta was adverse. An editorial writer of *El Comercio* described in these unrestrained terms the heritage which the Balta government received from its predecessor:

From no one is it concealed that the situation in which the new government chanced to initiate its policy and its works is far from being a bed of roses. Difficulties everywhere; obstacles in all parts, formidable resistances, deep-rooted abuses; society deplorably disturbed; the credit of the country compromised; the treasury empty after great waste; official discipline relaxed in all directions; the administration contaminated; morality lost, perversion of all feelings; impunity of political crimes triumphant and glorious—here is a part, and only a part, of the heritage which the past leaves to the administration which is being inaugurated.<sup>3</sup>

If this was not chaos in social and economic matters, it lacked very little of being so. Francisco García Calderón, the new Secretary of the Treasury, was "astonished at the corruption and parasitism which he found in the fiscal offices."<sup>4</sup>

One might have said that Nature itself was revolting against this debased condition of Peruvian life. An epidemic of yellow fever was running its course in midyear of 1868 with losses of life that in late August reached eight or ten thousand.<sup>5</sup> And, as if this plague were not sufficiently punitive, on the afternoon of August 13 a destructive earthquake smote Southern Peru. Its worst effects were suffered by the cities of Arequipa, Iquique, and Arica. However, the attendant tidal wave and a fire which followed in its wake took a toll of many lives and caused losses of almost a million dollars at Callao.<sup>6</sup>

<sup>2</sup> *Ibid.*, p. 237.

<sup>4</sup> Dávalos y Lissón, *op. cit.*, IV, 238.

<sup>5</sup> *El Nacional*, Aug. 19, 1868.

<sup>6</sup> Dávalos y Lissón, *op. cit.*, IV, 238.

<sup>3</sup> Aug. 2, 1868.



The character and the training of Colonel Balta<sup>7</sup> and of his most influential minister, Nicolás de Piérola, in the treasury during a large part of the administration, were not such as to equip them to deal successfully with their difficult task.

The habits of his military life, his temperament, and his education combined to make of José Balta an impulsive and a vehement man. "He was an obstinate child, capricious and uncontrollable; a child in spontaneity, in irreflexion, in blind credulity, in everything." His great interest—it has been called his monomania—was the army, especially its cavalry branch. Little else mattered to him. This is not to say that he was an ill-intentioned tyrant. Writers are generally agreed in saying that he had a sincere love for the aggrandizement of his country and believed with all his soul "that he was going to make of Peru the leading nation of Latin America."<sup>8</sup>

Manuel González Prada, brilliant Peruvian liberal, trenchant wielder of "the sword of the Lord and of Gideon" against Peruvian corruptionists of every stamp, was in his early manhood in the period of Balta's presidency and, as he lived in Lima, had a personal knowledge of him. He characterized him in this cutting paragraph:

More than a degenerate, President Balta ought to be called a primitive, an indomitable brute in which reaction follows immediately on action. On the lightest contradiction he would flush, stamp the floor with his foot, and threaten to deliver a blow. A species of dumb monster, he spoke little and badly, for Nature had denied him eloquence and verbosity. On learning that someone was judging him unfavorably or was censuring the acts of his government, he would utter a phrase which at first inspired fear and later caused ridicule: "Let him be given four balls!" If he did not shoot all his enemies (because there were those who prevented him), he committed barbarous outrages: he threw men into prison for the sole crime of not saluting him on the street; he shut up in barracks and dressed as soldiers writers of the opposition; he scoffed at and wanted to beat judges who pronounced an unfavorable sentence. He belonged to the race of ancient colonels

<sup>7</sup> It is a significant fact that Peruvian presidents who possess a military title—and many of them have had one—are customarily called by it rather than by the title "President."

<sup>8</sup> Márquez, *La orjía financiera del Perú*, pp. 71-73.

or soldiers (*soldadotes*) who saw in the presidency a military grade, having ascended to the Supreme Authority by the classic system: a revolution followed by the simulacrum of elections. If as a subaltern he had acquired a reputation of being hard in punishment and pure in matters touching money, as President he preserved his defect of cruelty and lost his stamp of honesty. In the manner of the impulsive, he had a weak character: incapable of a prompt and energetic decision, he fluctuated and allowed himself to be influenced by the insinuating and the adulators more than by the reserved and prudent. Many exploited him, from the politician of high position (*alto vuelo*) to the "pen-pusher" of low stamp (*baja ley*). Affected by vertigo at his ascent, he lost the use of his senses and was the toy of men without probity or conscience. It is sufficient to say that in his period arose Dreyfus and Meiggs.<sup>9</sup>

The story is told of Balta that once, when he was displeased by some articles that had appeared in *El Comercio*, he had Manuel Amunátegui, the aged editor of that periodical, called. When Amunátegui appeared the President threatened to have him shot at once and would perhaps have made good on the threat if Balta's brother had not intervened. The brother dragged the editor out by his arm and shut himself up with him in one of the rooms of the palace. Thereupon, the President ordered the police to wall up the only entrance to the building in which the newspaper was published and in which Amunátegui lived with his family and various persons who were absolutely unassociated with the newspaper undertaking. The work was actually begun, and it required no little urging to secure a revocation of the order.<sup>10</sup>

It would be a reckless imagination that could see in such a man a suitable president for even a stable, well-organized country. For Peru, in the condition in which it found itself in 1868, his accession was a tragedy. He was at once engulfed in the wave of enthusiasm for railways and other public works; and, lending a ready ear to Meiggs and other gold-hungry foreigners and to their associates among the Peruvians themselves, he spent the country's resources with a lavish hand.

Balta called to the treasury portfolio Nicolás de Piérola;

<sup>9</sup> *Figuras y Figurones* (Paris, 1938), pp. 128-130.

<sup>10</sup> Márquez, *op. cit.*, p. 73.

and, having for him the admiration of the ignorant for one whom he considers a prodigy of science, he made him, in reality, dictator of the public treasury. Piérola, after declaring to Congress, "We are certainly on the edge of the abyss, but we have not fallen into it,"<sup>11</sup> floated loans and engineered contracts of such nature as to hurl his country into the depths. Loans and more loans! was the cry. Of this man, who was later dictator, then president of Peru, González Prada wrote in 1899:

Since thirty years ago the greatest calamities have come from his hand, meriting for him the title of man of ill omen par excellence: as Minister of the Treasury, he celebrated the Dreyfus contract and ruined the national finances; as Dictator, he consummated the rout and aggravated the unhappy condition of the country. . . . In the long course of his existence he has been no more than a machine employed in destroying and paralyzing the living forces of the Nation.<sup>12</sup>

It was with Balta and Piérola and their vampire-like hangers-on that Meiggs made the greatest of his Peruvian railway contracts. The operations of the government, and of Meiggs in conjunction with it, were enormous—and for the country they were as disastrous as they were enormous.

From April 30, 1868, when the Arequipa contract was completed, to December 15, 1871, Meiggs made six other railway-building contracts. Four were made directly with the government, whereas the others were taken over with the approval of the government from individuals or associations with whom they were originally made. The total projected length of the railways—the Arequipa line included—was 1,042 miles, and the total cost in hard money (converting into that category sums originally agreed on in bonds) was to have been S/118,959,000.<sup>13</sup>

To regularize matters and, perhaps, to meet in part the charges of illegality that had been advanced against the Arequipa contract, Congress, on January 15, 1869, passed a law

<sup>11</sup> J. M. Rodríguez, *Estudios Económicos y Financieros y ojeada sobre la Hacienda Pública del Perú y la necesidad de su reforma* (Lima, 1895), p. 273.

<sup>12</sup> *Op. cit.*, pp. 173-174.

<sup>13</sup> *The Railroads of Peru* (Lima, 1873), p. 7; Report of Minister of Public Works, etc., to the Congress of 1876, in *Los Ferrocarriles del Perú*, I, 927-933.

concerning the construction of railways and the emission of bonds therefor. It authorized the President to contract, after the preliminary studies should have been made, for the construction of "the railways of Arequipa, Puno, and Cuzco; of Chimbote to Santa or to Huaraz; of Trujillo to Pacasmayo and Cajamarca; of Lima to Jauja, and others which the Republic may need." At the same time the executive was authorized, if he should find it desirable, to emit bonds for the building of these railways, the bonds to bear 6 per cent interest with 2 per cent for cumulative amortization, the contractors to receive them at par, and amortization to begin after ten years.<sup>14</sup> On the broad bases thus provided the executive took the steps which were meant, presumably, to realize a fulfillment of the country's dream—a complete system of national railways.

The contracts celebrated next in order after the one which provided for the construction of the Arequipa road were those for the building of the Arequipa to Puno and the Callao to Oroya lines. They were signed on the same day, December 18, 1869, and were almost identical in terms.

Puno is situated some two hundred and twenty miles beyond and above Arequipa on the western shore of Lake Titicaca. It was felt that a road from Arequipa to Puno would not only be of immense value in connecting the southern highland region of Peru with the coast (it must be borne in mind that the line from the coast up to Arequipa was already under construction), but that much revenue would be derived from its anticipated carriage of Bolivian trade. Moreover, such a road would constitute a second stage in giving the ancient Incaic capital, Cuzco, connection with the outer world. The initiative in the movement to create this road was taken by the representatives in congress from the Departments of Arequipa and Cuzco. Inspired, perhaps, by Don Enrique, these gentlemen asked the government to authorize Meiggs to undertake the preliminary studies for lines from Arequipa to Puno and from Puno to Cuzco. The executive, early in October, 1868, directed the prefect of Arequipa to furnish Meiggs all the data

<sup>14</sup> *Los Ferrocarriles del Perú*, I, 1-2.



and facilities which he should need for the work.<sup>15</sup> Then, on January 19 following, after the general law of authorization above alluded to had been passed, an official decree was emitted which charged Meiggs with the task of making the preliminary surveys.<sup>16</sup>

Already Don Enrique's engineers were busy surveying the route for the road that would connect Lima with the Valley of Jauja, the line that Manuel Pardo had publicized in his pamphlet of 1862. After 1868 no additional arguments were needed on the question of building that road. In September, 1868, Meiggs proposed that he be authorized to make the preliminary surveys. The terms which he outlined and which were accepted by the government were the same as those under which three months later he undertook to make the preliminary surveys of the Arequipa-Puno route.

The surveys were to be completed within eight months or less at Meiggs's expense and by engineers employed by him, though an engineer of the state might participate. The routes chosen might be any of those already studied or new ones, if better were discovered. After the studies had been made, the papers were to be put at the disposition of the government to the end that it might make with Meiggs, or with whatever contractor the authorities might choose, contracts for building the railways. If the contracts should not be awarded to Meiggs, then he was to be indemnified for the expense of making the studies.<sup>17</sup> The government accepted these terms for the Oroya survey on September 21, 1868,<sup>18</sup> and for the Arequipa-Puno road, as above stated, on January 19 following.

The Arequipa-Puno survey was made by John L. Thorndike.<sup>19</sup> His report was submitted by the government to Gerrit

<sup>15</sup> *Ibid.*

<sup>16</sup> *Ibid.*, p. 815.

<sup>17</sup> *Ibid.*, p. 57.

<sup>18</sup> *Ibid.*, pp. 57-58.

<sup>19</sup> Thorndike, like Meiggs, a native of New York, was born in 1835. He had been active in railway construction in the United States and in Canada. In 1857 he went to Chile, where he later participated with Meiggs in work on the Santiago-Valparaíso Railway (*El Ferrocarril de Arequipa*, p. 165). Thorndike married a Peruvian lady, and there are now living in Peru descendants of his who are prominent citizens of the country. When the author was in Lima in 1936 he was told that John L. Thorndike was still living, though very infirm, as he would naturally be at the age of 101!

S. Backus, representing the state, and Ernesto Malinowski, representing Meiggs, for examination. The studies were approved, but Backus believed that the road could be built for S/30,000,000 instead of the S/34,700,000 which was the estimated cost figure of the Thorndike report. The alteration in figures was accepted by Malinowski. Then the government announced that sealed bids for the construction of the road would be received for the space of forty days, November 3 being set as the day on which that period would end.<sup>20</sup>

On the eighteenth of the following December, the bids were opened, one made by Henry Meiggs and two by Antonio Salas. The Central Engineering Commission studied them and pronounced in favor of that of Meiggs. A commission of merchants composed of Dionisio Derteano, Julián del Valle, and Tomás Goin did likewise, though it suggested some alterations of no great consequence in the terms of the Meiggs proposal. The government thereupon issued a decree awarding the contract to Don Enrique.<sup>21</sup>

The task of making the surveys for the road to Jauja—the Central Trans-Andean Railroad, as it was shortly christened—was entrusted by Meiggs to the engineer Malinowski. He completed the project and presented his report in April—a preliminary tracing of the route by the Rímac Valley and an estimate of the cost in the sum of S/27,600,000.<sup>22</sup> The state appointed Pedro Marzo as its engineer to study the report and make the definitive trace. Bids, it was announced, would be received until July 15, after which date those that had been presented were to be considered by an engineering commission consisting of Federico Blume, Felipe Arancivia, and Walter S. Morris.

When this commission undertook to discharge its duties, a lack of unanimity of opinion developed, with the result that two reports were returned. The majority report, signed by Arancivia and Morris, asserted that the proposal made by Theodore Christian could not be considered because it made

<sup>20</sup> Costa-Laurent, *Reseña Histórica, etc.*, pp. 107-108.

<sup>21</sup> *Los Ferrocarriles del Perú*, I, 6-12.

<sup>22</sup> *Ibid.*, pp. 58-71.

no provision for the guarantee required by the government and was vague in its terms. The first and second proposals of the Montero Brothers were unacceptable because under their terms a private company would enjoy for twenty-five years the exclusive use of the projected railway and its branches. Besides, the freight rates which they proposed to charge on the finished road were exaggerated. Comparing the third Montero proposal with that of Meiggs, one noted immediately, ran the report, the difference in figures. The engineers did not believe it possible to build the road for the S/15,000,000 asked by the Monteros. The terms of payment for the work proposed by Meiggs were better, that is, monthly payments based on the work done as compared to the Monteros' £10,000 for each mile constructed. Furthermore, the engineers believed that "the antecedents of Sr. Meiggs as an empresario who had been already [the builder] of works of the nature of those under consideration, ought to weigh, above everything, in the mind of the Supreme Government in arranging by contract for the construction of the railway from Callao to La Oroya."<sup>23</sup>

Blume was unable to go the entire distance with his colleagues in their endorsement of the Meiggs proposal. His minority report contains some significant statements. Blume declared that one would run the risk of grave error if he were to make decisions on route and costs without personally inspecting the ground where it was proposed to build the road. He therefore refrained from positive pronouncement on those matters. He agreed that the only mode of payment for the work which would safeguard the interests of the state was that of paying according to the work completed rather than at a flat rate per mile. He did not hesitate to indicate his choice of contractor, as these lines from the report prove:

[The work] of the railway between Callao and La Oroya, in addition to being a great work, is found in conditions entirely new and exceptional; and it will be one of the most notable of the century. For such a work a special man is necessary, of whom there are few in the world, and I do not fear to assert that if a novice in the matter should

<sup>23</sup> *Ibid.*, pp. 78-79.

dare to undertake the work, though he might employ very intelligent engineers, he would surely ruin himself, and the hopes and the industrial and political future of the country would be frustrated. The special man to whom I allude is Don Enrique Meiggs, who to loyalty in the fulfillment of his contractual obligations, unites familiarity with the management of great undertakings and commands an army of engineers, mechanics, special men for each kind of work, and countless laborers who, at the raising of his finger, come running by thousands, when other contractors make vain efforts to secure a few hundreds. I believe that on the choice of that man depends the success of the work, and with it the honor of the Government and its responsibility before the country; and that, once convinced that the route chosen is the most economical possible, that the quantities are exact and the price just, it should not hesitate to assure itself of his services.<sup>24</sup>

In these lines is disclosed the power of a resounding reputation plus the ability to dramatize one's self.

The government then appointed a committee of merchants—Bernardo Roca y Garzón, Juan Mariano Goyeneche y Gamio, and Daniel Ruso—to draw up a definitive contract for the project. The work of this group was delayed by the announcement that a new and better route than that of the Rímac had been discovered. It was claimed that if the road should be built by the new route a saving of four to six million *soles* would be effected.<sup>25</sup> Action on the bids was postponed to allow time for an investigation. It appears that nothing came of the suggestion of a new route, for in late November consideration of the bids for construction by the Rímac route was resumed.

The commission of merchants made its report—a somewhat undecided one—as did also the attorney of the Supreme Court, Sr. Ureta.<sup>26</sup> The attorney found that one of the proposals of the Monteros was the most advantageous, provided they would give sufficient security for the construction of the work and for its maintenance; in that respect their proposal was deficient. Otherwise, the Meiggs proposal was preferable.

The Monteros refused to make the suggested modifica-

<sup>24</sup> *Ibid.*, p. 77. The complete report is found on pages 75 to 78.

<sup>25</sup> *Ibid.*, pp. 80-81.

<sup>26</sup> *Ibid.*, pp. 86-101. Both these reports are given here.



tions,<sup>27</sup> and, after some further exchanges with Meiggs, asking alterations, most of which he declined to make, the Oroya contract was awarded to him.<sup>28</sup>

The Puno and the Oroya contracts were made in practically identical terms.<sup>29</sup> The period set for the completion of the Puno line was five years; for the Oroya, six. The contract price for the former was S/32,000,000 or the equivalent of that sum "in current money of the countries in which should be effected the emission of bonds in conformity with the law of January 15, 1869, and acceptable at par by the contractor." The figure for the Oroya line was S/27,600,000, payable in bonds under like conditions. The bonds were to draw 6 per cent interest annually and have a cumulative amortization fund of 2 per cent, beginning ten years after the date of emission.

To expedite the conclusion of the Puno line, the government would permit ships bringing supplies for the contractor to deliver them directly at the ports of Islay, Mejía, or Mollendo. For the same reason Meiggs was conceded free use of the Mejía-Arequipa Railway for the carriage of supplies and employees while work on the Puno line should be in progress.

In the Oroya contract there was a clause which forbade the opening to traffic of the Callao-Lima section until the claims made by the existing Callao-Lima Railway management to a monopoly of transportation between those two points should be resolved. With these exceptions, the two contracts were identical.

Materials used should be of the best quality and the works should be subject to inspection by engineers appointed by the government. The government would provide inspectors to examine before shipment material bought abroad. The contractor should be obliged to make in the work such alterations as might be suggested by the government, suitable price adjustments to follow.

If the contractor should depart from the plans agreed upon for the railways or refuse to make alterations demanded by the government, an arbitration board should be resorted to.

<sup>27</sup> *Ibid.*, pp. 111-112.

<sup>28</sup> *Ibid.*, p. 115.

<sup>29</sup> *Ibid.*, pp. 6-12 (the Puno contract), pp. 114-120 (the Oroya contract).

If the contractor should refuse to comply with the board's award, the government had the right to annul the contracts. Suspension of the works for three successive months, except because of fortuitous circumstances or *force majeure*, should equally justify the government in annulling the contracts; and the contractor would in such case be obliged to indemnify Peru for damage suffered because of noncompliance with his obligations.

The contractor obligated himself to guarantee the works for a period of three years after completion, except for fortuitous damages. The government might, if it so desired, receive the lines by sections. In that case, the contractor should have free use of such sections for the transportation of materials and employees. If sections were taken over in this manner, the contractor must present in each case a certificate from the engineer-in-chief to the effect that the section was completed in conformity with contractual stipulations.

The contractor was authorized to introduce foreign workmen, their contracts to be valid and the government obligated to interpose its authority to the end that they be respected and complied with. Peruvian diplomatic agents who might assist abroad in the making of labor contracts should charge no more than one *sol* for such service, "as was the case with Chinese colonists." Employees of the lines, foreign and Peruvian (except Peruvians in the case of foreign war), should be exempted from all civil or military service until the conclusion of the works.

The government conceded to the contractor gratuitously the use of public lands necessary to the railways or their services. The acquisition of lands of private citizens that should be needed would be expedited by the government, but the cost must be borne by the contractor. Similar conditions were established concerning the supply of water for laborers and the railways. These stipulations were to be applicable only until the termination of work on the lines. The government would not be responsible for damage suffered by private citizens because of building operations; indemnity therefor would fall on the contractor.

No tariff or port duties should be levied on tools and railway materials, on the food necessary to the sustenance of laborers, on forage for animals, or on blasting powder. The contractor might manufacture blasting powder if he so desired. He should use powder manufactured in Peru to the extent that it was available, but might introduce from abroad the quantity needed to meet deficiencies. The materials mentioned could be introduced free of duty only to the extent that they were required on the work. The government reserved the right to establish concerning them such regulations as might be deemed necessary to prevent smuggling.

The bonds in which the contractor was to be paid should be signed by a commissioner named by the government and by a representative of the contractor. Emission should take place in Peru, London, Paris, Frankfort, or New York; and the bonds should be deposited within six months after the signing of the contract in a bank or commercial house of Europe or America to the mutual satisfaction of government and contractor. Details respecting series, form, and so on, of the bonds were to be fixed by the government in agreement with the contractor. The government bound itself to turn over promptly to the contractor, bonds in payment for materials procured abroad or in the country as soon as their purchase should be properly certified by government inspectors. To care for these obligations, the government would place in a bank or commercial house of Lima, within forty days after the signing of the contract, the sum of S/7,000,000 (for *each* railway) in provisional bills of exchange at 6 per cent interest payable to the state. These bills could later be exchanged at par for the bonds mentioned in the contract.

The remainder of the contractual price, in the case of each railway, would be paid to the contractor in monthly installments in the proportion which the completed work should bear to the entire project. These payments would conform to the certificates of work completed made by the engineer-inspectors of the lines. Each six months there should be, as between government and contractor, a liquidation of the interest on the bonds.

The government should have the privilege, if it so desired, of buying from the contractor, after the completion of the works, any tools or other supplies which he had that might be needed for the maintenance of the roads, at factory prices or at their estimated worth, if they had been used.

One section (26 of the Oroya contract, 28 of the Puno) deserves to be quoted in full:

The contractor, in guaranty of the faithful fulfillment of this contract, will leave on deposit in the vaults of the treasury ten per cent in bonds of the amount of each of the certificates of work done until a million *soles* shall be thus deposited. This deposit shall be returned to the contractor when the obligations of this contract shall have been discharged, he being paid in the meantime the respective interest for said bonds deposited.<sup>30</sup>

These funds were to be used to satisfy any judgment for damages that might be found against the contractor for non-fulfillment of contract—a decided departure from the terms of the Arequipa contract.

Any difference that might arise between the government and the contractor regarding the meaning of the contracts and their execution should be submitted to the courts of the country.

Any minerals, fossils, antiquities, and other exploitable things that might be come upon in the course of the work, should be considered property of the state and should be reported immediately to the government.

In the conditions of the Puno and the Oroya contracts thus summarized are to be found several variations of an important nature from the terms of the Arequipa contract of the previous year:

1. There was no provision for a bonus to the contractor in case he should anticipate the period within which the lines were to be built—nor for penalty, specifically, in case the date of completion should fall beyond the time set, though in that case the government might demand damages.

2. Payment was to be effected in bonds rather than in cash.

3. Payment was to be made in monthly installments in

<sup>30</sup> *Ibid.*, pp. 11, 119.



proportion to the part of the work completed during the month, rather than at a set sum per mile regardless of the nature of the terrain covered.

4. No provision was made for the recovery of damages by Meiggs in case work should be suspended through the fault of the government.

5. The proper discharge of his obligations was not left simply to Meiggs's good faith. Specific provision was made for recovery of damages from him in case of nonfulfillment of contract, by means of the deposits exacted—10 per cent of monthly payments until such time as the sum of those deposits should amount to S/1,000,000—for each line.

It is to be supposed that these differences, all of which tended to improve the position of the government as a party to the contract, were responses to the serious criticisms that had been made of the Arequipa contract. Most of those criticisms were here met in some fashion. Throughout, the procedure was more regular and the terms of the contracts themselves were much more carefully drawn than was the case with the earlier contract.

It is worth noting that Meiggs enjoyed a decided advantage over his competitors in having the reputation of a "go-ahead Yankee." This fact predisposed in his favor the Peruvian government, distrustful as it was of the abilities of native Peruvians to undertake and push to completion public works of such magnitude.

Concerning the matter of payment for the railways, a further point must be made here. On February 17, 1869, there was drawn up a detailed plan for the emission of the bonds which were to provide the means of payment. The plan contained various provisions concerning series, size, time, and place of emission. It was then stipulated that security for the bonds, in addition to the pledging of the national faith, should consist of the hypothecation of all the goods and income of the nation—especially of guano, after the obligations previously contracted on it should be attended to—and of tariff duties. If these resources should prove insufficient, the government would give preference over all others to the payment of this obliga-

tion, taking the best available means for meeting it. Furthermore, the Callao-Oroya railway itself should be hypothecated to the service of this debt.<sup>31</sup>

Though the official documents which guaranteed them have not been discovered, it appears from a letter written in March, 1870, by John G. Meiggs, Don Enrique's brother and general manager of the Meiggs undertakings, that other securities were advanced. The exultant tone of the letter deserves to be noted particularly:

You are probably aware that we take Bonds for the work!! The amount seems at first thought large, but if security amounts to anything, we have the *whole of Peru Boots and Breeches*. In the first place we have a special hypothecation of the roads to be built, and their *gross receipts* after completion. *Second* A special mortgage of the road from Mollendo to Arequipa now being completed, all for cash say \$12,000,000 to be finished this year. "Gross receipts also" *Third* Special hypothecation of the receipts from Customs duties now reaching the sum of *over Four Million Soles*. *Fourth*. A special mortgage on the sales of guano in Europe after attending to the service of the present debt, which only equals about one quarter of the nett receipts— It is also provided that any consignment contract or contract for sale of Guano hereafter to be made shall be subject to this contract, and the parties making purchase, or accepting consignment shall always provide for the interest & sinking fund of this debt, before any other bonds made subsequent to this contract.<sup>32</sup>

"The *whole of Peru Boots and Breeches*"! Indeed, it must have seemed so early in 1870. Fortunate it was for John G.'s happiness that he could not read the future.

Meiggs's initial movements concerning the projected line from Puno to Cuzco, though not next in strict chronology, are so closely associated with the Arequipa road and the Arequipa-Puno road that they may logically be noted at this point. It has been seen already that the running of the preliminary surveys for this line was commended to Meiggs, along with those for the Arequipa-Puno line, on January 19, 1869.

In conformity with the terms of that agreement, an engi-

<sup>31</sup> *Ibid.*, p. 126.

<sup>32</sup> To E. P. Fabbri, Lima, March 13 (Meiggs Papers, Letter Book 1, pp. 71-72).

neering party headed by Victor Pretot Freire set out from Arequipa on August 1, 1870, to begin the work of locating and surveying a route for the road. The work was carried forward under the direction of John L. Thorndike. It was at length completed, and Thorndike signed at Arequipa on August 15, 1871, an estimate which placed the cost of the road at S/25,964,948.10. The following September 15 the government announced that it would receive bids for the building of a line from Juliaca (located on the proposed Arequipa-Puno road at a point about thirty miles from Puno) to Cuzco, and fixed the conditions under which it was to be constructed.<sup>33</sup>

Only two bidders came forward, Sebastián Salinas and Meiggs, each of them submitting two proposals. In both cases one of the proposals was for the construction of a standard-gauge road, the other for a narrow-gauge. The commission of engineers which first examined the bids found Meiggs's proposal in both cases more advantageous than that of Salinas, both as to time required for construction—three years in Meiggs's proposals, six years in Salinas'—and price proposed. Salinas' figures were less, but on the addition of 5 per cent per year for the additional three years required, the sums became appreciably greater. Furthermore, Salinas' proposals required that the state pay cost of transportation of materials from the coast, which was not the case with Meiggs's.<sup>34</sup> A commission of merchants reported likewise in favor of Meiggs's proposals and on similar grounds.<sup>35</sup>

The Council of Ministers by unanimous vote thereupon awarded the contract to Don Enrique, though it reduced the price to S/25,000,000. This action was taken on December 2, 1871, and on the fifteenth of the same month, Meiggs signified his acceptance of the terms offered.<sup>36</sup>

Apropos of the signing of this contract, John G. wrote the following day in a letter to E. C. DuBois, at Mollendo: "The

<sup>33</sup> Costa-Laurent, *Reseña Histórica*, p. 113. For Thorndike's detailed estimate, see *Los Ferrocarriles del Perú*, I, 705-706.

<sup>34</sup> *Los Ferrocarriles del Perú*, I, 710-712.

<sup>35</sup> *Ibid.*, I, 712-714.

<sup>36</sup> *Ibid.*, I, 715-720. The terms of the contract are included within these pages.

contract for the Cuzco Road was signed yesterday, after a very sharp fight. Price, S/25,000,000 cash, but we had to give the President a present of S/50,000 to make a new side walk &c on the old Bridge."<sup>37</sup> By the "old Bridge" was meant, probably, that one which crosses the Rímac not far from the *Palacio de Gobierno*. It is quite likely that it needed repairs, but the method used by President Balta to secure the means of making them were, to say the least, somewhat original.

In only three respects does this contract differ in terms from the Arequipa-Puno contract: (1) its conditions were to be fulfilled within three years, (2) the contractor would pay freight on materials taken up to the works, and (3) the government would make payments in current money rather than in bonds.

Late in 1870 Meiggs secured contracts for two railways, or more correctly speaking, for two sections of one line. One contract called for the building of a road running inland from Pacasmayo to San Pedro de Lloc, some fifteen miles, and thence northward to Guadalupe, about an equal distance. The other contract laid down the conditions for building a part of the line from San Pedro de Lloc to Magdalena, not far from Cajamarca, a distance of some seventy miles.

Originally it had been intended that the first of these sections should be built and operated for an extended period by a private company, and bids to this end had been called for. The usual procedure of examination by commissions had resulted in the awarding of the contract to Rafael Barbe on July 5, 1870.<sup>38</sup> Barbe, receiving official permission to do so, transferred his contract a month later to Andrés Zapata and José Gregorio García.

At this point the government decided that the road should be built by the state rather than by a private company, Nicolás de Piérola, Minister of the Treasury, having drafted an extensive memorandum to support that action. Whereupon, on December 24, 1870, with the government's approval, Zapata and García transferred their rights in the contract to Henry

<sup>37</sup> Meiggs Papers, Letter Book 5, p. 226.

<sup>38</sup> *Los Ferrocarriles del Perú*, I, 623-626. For the official documents concerning this matter, see pp. 610-626.



Meiggs.<sup>39</sup> The price of the work was set at S/2,700,000 in bonds or S/2,100,000 in hard money.

Meantime, on December 13, the government had accepted Don Enrique's bid for the construction of the section called Calasñique-Magdalena, intended eventually to be part of a road that would connect Pacasmayo with Cajamarca. The money consideration in this contract was set at S/5,000,000 in bonds, later altered to S/3,750,000 in hard money. The conditions that were to govern the construction of the Pacasmayo-Guadalupe and the Calasñique-Magdalena lines were identical and were so similar to those of the Puno and the Oroya contracts as to require no detailed examination.<sup>40</sup>

Almost simultaneously with the acquisition of the contracts just mentioned, Meiggs secured the Ilo-Moquegua contract. He had been authorized in January, 1870, to make the surveys for this line, along with those for a proposed line from Tacna to the Bolivian frontier. The terms were identical with those under which he had contracted to make the Oroya and the Puno road surveys.<sup>41</sup> The studies completed and published, bidding was opened; and on December 10, 1870, the contract was awarded to the Devés Brothers, a Parisian firm. A month later Devés Brothers transferred their contract to Don Enrique. The documents bear the date of January 12.<sup>42</sup> The line of sixty-three miles, located in southern Peru, was to be built in the space of thirty months and for a consideration of S/6,700,000 in bonds, later altered to S/5,025,000 in hard money. The other terms were in no essential respects different from those of the Oroya and Puno contracts.<sup>43</sup>

The other Meiggs railway contract was that which provided for the building of the Chimbote-Huaraz road. Located in north central Peru and running inland from the port of Chimbote and then southeastward parallel to the seacoast, it was to have had a length of 165 miles. The preliminary survey had been made by Malinowski, and the cost had been estimated by him at S/38,000,000.<sup>44</sup> The partnership of Dio-

<sup>39</sup> *Ibid.*, I, 636-638.

<sup>40</sup> *Ibid.*, I, 631-636.

<sup>41</sup> *Ibid.*, I, 305-306.

<sup>42</sup> *Ibid.*, I, 327-329.

<sup>43</sup> *Ibid.*, I, 322-327.

<sup>44</sup> Costa-Laurent, *Reseña Histórica*, p. 164. Dr. Casas, in *Los Hombres de Bien!* (p. 157 n.), has this to say of Malinowski and his estimate: "To know

nisio Derteano and Benito Valdeavellano was awarded the contract in August, 1871, for S/33,500,000, but as others came forward offering to do the work at much lower figures, the council of ministers annulled the Derteano-Valdeavellano contract and called for further study and a new series of bids. In this series Derteano and Valdeavellano were again successful. The figure this time was but S/24,750,000, but it was for the construction of a narrow-gauge road. This did not satisfy the government, and in awarding the contract to the successful bidders, it reduced the figure to the round sum of S/24,000,000.

Derteano and Valdeavellano signified to the government that they feared to undertake the contract at that figure, but stated that Henry Meiggs was willing to do so and requested permission to pass the contract to him. Permission was granted, and on November 6, 1871, Don Enrique became the possessor of the contract.<sup>45</sup>

The road was to be of narrow gauge and was to be completed within six years. Responsibility for repairs made necessary by faulty construction should extend to only two years. If the government should fail for three successive months to make payments for work done, the contractor might elect to discontinue the work or to finish it at his own expense and exploit it until he should have realized the sum due him. A guaranty of S/2,000,000 was exacted of the contractor. Of this amount, S/500,000 was the deposit required at the making of the bid. The balance was to be built up by the retention of 10 per cent of the monthly payments. There were no other differences worth mentioning between the terms of this contract and those for the building of the Oroya and the Puno roads.<sup>46</sup>

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what this surpassing scoundrel is, it is sufficient to know only that he is the consultant of Mr. Gimegs [Meiggs], and that 'under his signature as engineer-in-chief, he estimated on February 8, 1871, in the fabulous sum of 38 millions of *soles* the iron road from Chimbote to Recuay, that is to say, in the scandalous sum of 143,396 *soles* . . . per mile, which work was accepted by Gimegs on November 10 of the same year for only 24 millions, that is to say, at 90,566 *soles* . . . per mile!!'" This would indeed be most astonishing if it were not for the fact that the latter contractual price was for the building of a narrow-gauge road while the former was for a standard-gauge. Even so, the difference is sufficiently great.

<sup>45</sup> Costa-Laurent, *Reseña Histórica*, pp. 164-165.

<sup>46</sup> *Los Ferrocarriles del Perú*, I, 218-222.

Dr. Casos declares in *¡Los Hombres de Bien!!* that in the building of this road the public fortune was being squandered. Concerning its cost, he wrote:

The railway from Chimbote to Huaraz and Recuay was estimated by the engineer-in-chief in the sum of 38,000,000 *soles*, and was awarded on June 3, 1871, for 33,250,000, and upon the suspension of this contract, was reawarded to the same contractors on October 31 following for 24,000,000. These contractors transferred the negotiation, the receiver committing himself to the extent of three or four millions, divided publicly among the concessionaires, the opposing corporations, and others, in such manner that the work would have to be done by its builders in the sum of 20,000,000 *soles*; and assuming only a twenty per cent gain, the result is that a work originally estimated at 38 and contracted for 24 was executed for S/16,000,000!!<sup>47</sup>

Had Dr. Casos been entirely honest with his readers, he would have revealed the fact that one of the reasons for the great difference in the figures of the original estimate and those of the final contract was that the specifications were altered from those for a standard to those for a narrow gauge. Even so, the price may be considered excessive as compared with the cost of either the Arequipa-Puno or the Juliaca-Cuzco road. And, remembering the proceedings involved in making the Mollendo-Arequipa contract, it is not a difficult matter to suppose that there was an undue profit involved and that a distribution of funds such as Dr. Casos declared was made.

This supposition is supported by the contents of a letter which John G. Meiggs wrote in midyear of 1870 to J. B. Hill, at the time superintendent of construction of the Mollendo-Arequipa road. He remarked, with significant underscoring: "I think we shall take the contract for the Chimbote & Huáraz. We are waiting the meeting of Congress, and if we go in, we think we can *avoid competition* (Quien sabe. . .)"<sup>48</sup>

Meiggs, after he had begun the Arequipa road and demonstrated his abilities by pressing the work forward with a speed and efficiency which surprised the Peruvians, held a position of great advantage over all his competitors. It was

<sup>47</sup> P. iv of introduction.

<sup>48</sup> Lima, July 11 (Meiggs Papers, Letter Book 1, pp. 387-388).

plainly to be seen that he could fulfil his engagements. Moreover, he had already operating in Peru a large technical staff and an army of laborers which he had introduced from abroad. Even without his monetary "persuaders," he would have been a hard competitor. With their aid, he swept all before him; and at the end of 1871, when Balta's presidency was nearing its close, he had the seven contracts described in this and the preceding chapters and had entirely fulfilled the conditions of one of them, the Arequipa.

A glance at the map reveals the fact that these lines, when completed, would constitute something much less than a "net" or a "system" of railways. But that fact did not greatly concern Don Enrique and had not, apparently, given great concern to the Balta government. It had gone blithely ahead, contracting for the building of railways anywhere and everywhere—wherever, in fact, any considerable group of persons demanded that one be built—mortgaging the country's future and assuming that guano would pay the bills.

Toward the end of this period of big railway contracts, a writer in *El Peruano* made reference to "some glacial voices" that were heard at the making of each new railway contract or the inauguration of work on another road. But he could still declare (whether with a good conscience it is difficult to determine) that these activities were welcomed with "a chorus of universal applause."<sup>49</sup> It appears probable that a large body of the people supported the government's public-works activities.

<sup>49</sup> Quoted by *El Comercio*, July 19, 1870.



## VI

### BUILDING THE AREQUIPA RAILWAY

WHEN HENRY MEIGGS went up to Peru he was already famous as a "go-ahead Yankee"—which was probably one of the chief reasons for his success in securing the Arequipa Railway contract. To justify this desirable reputation and thereby to strengthen his chances of securing other profitable contracts, and stimulated no doubt by the bonus clause of the Arequipa agreement (each month saved short of three years was S/20,000 gained), he began without delay his assault on the formidable bastions of the Andes.

Contemporary Peruvian literature contains a great deal of comment on the difficulties that were encountered in the construction of the Mollendo-Arequipa Railway. Pride in the work may have caused a degree of exaggeration in statements concerning this matter, but it is nevertheless true that the obstacles met and surmounted were great. The route which the railway was to follow, it will be remembered, was to be, except for minor changes, that run by the engineers Blume and Echegaray in 1861.<sup>1</sup> The nature of that route, as well as the pioneering difficulties which were encountered in tracing it, can best be appreciated by following the tracks made by the engineers charged with the task. When they made the tracing, they possessed but two instruments, a very old theodolite that belonged to Blume and a level, the property of Echegaray. Though a number of engineers had previously followed a route from the coast to Arequipa, their data were quite sketchy. The description Blume wrote of the adventures which he and

<sup>1</sup> The examination of terrain here described was made late in 1861, but as the report drawn by those who made it was not published until 1862, it is almost always referred to as the route traced by Blume and Echegaray in 1862.

his companion met with in making this initial survey suggests that those adventures had something of the quality of Robinson Crusoe's, though knowledge of them is certainly not so widespread, even among the Peruvians.

Shortly after Blume and Echegaray were commissioned for the work, they went up to Arequipa, since they planned to operate from the mountain terminus of the proposed railway. They spent some time there, restlessly waiting for additional funds that were very slow in arriving. To break the tedium of inactivity, they rode out one day from the city several miles in the direction of the sea to attend a fiesta at the village of Tiabaya. After they had reached the village, Blume, skilled from past experience in judging terrain, assured his companion that from Arequipa to that point the grade was not more than 3 per cent. Discussing the project which at the time so completely absorbed their thoughts, the two became fired with enthusiasm and under its spur determined to continue onward and examine the ground in the direction of Huasamayo. And this they would do without guides, without even knapsacks, and through a desert country. Huasamayo is situated some fifteen or twenty miles from Arequipa near the edge of a sharp drop to the pampa of Islay, more than a thousand feet below.

The engineers acted on their impulsive decision. They continued downward and stopped for the night at the home of a rancher, one Lecaros. From him they learned of the existence of a *quebrada*, or canyon, that would possibly lead them down to the pampa. The following morning they decided to ascend an elevation, Corralones, and study the terrain from that point of vantage. Let the reader follow the adventurous engineers from that point in the words of Blume himself:

Actually, the view from Corralones was the most instructive and advantageous that could be imagined. We were able at a single glance to confirm ourselves in the idea that the line to Huasamayo would be practicable [i. e., down from Arequipa, visible in the distance], and that traversing the hills there, which seemed pressed together, if the ravine of Lecaros really existed as each moment seemed more probable—and more from that summit—it would not be difficult for us to

reach the great pampa. The second great question was, What should we do in order to get down from the pampa to the sea? We knew from the data of Humboldt, of Pentland, and others, and by the tables of their barometric altitudes, that Arequipa was 8,000 Spanish feet, more or less, above sea level, and calculating or guessing the degree that we had come down to Uchumayo, we saw that the great pampa remained between 4 or 5,000 feet above sea, no ravine of easy descent presenting itself for going down to it, but a great cordon of hills which commanded the horizon and contained various abrupt ravines. . . .

From Corralones I made a grading with the eye, balanced and compared the heights of everything that lay within my view, took some directions with a magnetic needle, noted the distances (with the eye always) on those directions, and with all this we formed the sketch which later, drawn by D. Leon Goetschy, was published in the Geography of Sr. Paz-Soldán.

In no manner did even the remote possibility of descending from the pampa to the sea present itself to us; but I myself saw very clearly, and Echegaray believed also, that it would be folly to look for a descent to the north of Guerreros,<sup>2</sup> it being evident that the lowest point of the pampa was in the vicinity of the hills of Huajri, at a distance of some fifteen leagues from us.

The adventurers decided to assure themselves of the existence of the ravine of which Lecaros had told them and of its connection with the great plain, and then to cross the pampa toward the hills of Huajri. Though those hills were distant forty-five miles, Blume insisted that he saw there the lowest point in the entire vista. Blume continues:

The ravine of Lecaros was almost inaccessible for us from Corralones. After several desperate attempts on horseback, or better say on foot, leading the horses by the bridle (we had no boy) along virgin slopes and enormous precipices, and struggling with the animals, to which the examination did not seem enjoyable, we arrived at the landmark left by Althaus, Salazar, or Chevalier<sup>3</sup> at the head of the ravine indicated by old Lecaros. . . .

From Huasamayo we took the ravine and had the great satisfaction of following it without interruption to its junction with the pampa of

<sup>2</sup> A *quebrada* that had been used for passing upward by foot and pack animal, from the sea to the pampa.

<sup>3</sup> Individuals who, according to Lecaros, had made previous examination of the region.

Caldera, which is a part of the great pampa. Satisfied on one hand, and on the other weary with our undertaking, dying of hunger, we went to the hacienda of Cereceda in Vitor<sup>4</sup> to sleep.

We arose at 2, A.M., went out from the deep ravine at Vitor, and by the stars Echegaray, an expert on the pampa, directed me along the diagonal line which we had proposed to follow (without a road) and which passed near La Joya.

As everything was easy for the trace in that part, and as we were anxious to solve the problem of the descent to the sea, we crossed the pampa almost as if crazy, hell-bent (*á revientacinchas*), stopping only at La Joya [inn] to eat and to feed our horses.

Finally, near nightfall, we reached the hills of Huajri and undertook immediately our descent to the sea by a ravine which at first promised much, but which very soon was converted into precipices and abysses.

Completely disillusioned, and confirmed in our idea that the bottom of none of these *quebradas* would serve for anything, it being already night and a very dark night, and we being completely worn out (men and horses), deprived of all food, we went on gropingly, descending with much danger the unknown ravine.

We thought we were lost, because, after clambering about on foot (for the horses had become completely worn out) up to about midnight, we neither heard the sound of waves nor were able to get down to sea level. This caused us some discouragement concerning the possibility of a line [for the railway], and we thought that the barometric altitude (given by various authors) of Arequipa was false, or that we had been completely mistaken in calculating the drop which we had made in reaching the hills of Huajri.

Sunk in such disconsolate reflections; struggling with the horses, which, despite the fact that we were advancing on foot, did not want to move; in complete darkness; boxed in the floor of an exceedingly deep ravine which seemed never to descend to sea level; without knowing where we were, our situation certainly presented no agreeable features. Now and then Echegaray, with immense labor, climbed up to the crest to find whether he could hear or see anything; but, convinced that there was no habitation near or far, and concluding from various considerations that we were in some ravine between Mollendo and Tambo from which it was impossible to extricate the horses without first getting down to the sea, we decided that our only alternative was

<sup>4</sup> The village of Vitor, though located in a depression, is far out on the great pampa of Islay.



to continue going down, and accordingly we did so, reaffirming each other in the idea that a railway was an impossibility.

It must have been one or two in the morning when we reached the seashore; gropingly we went on to the mouth of the Tambo River, following the lonely beach. On our arrival, everyone refused to receive us, pretending either to be deaf or asleep, thinking us no doubt highwaymen. After going through swamps and pasture fields, throwing down fences, calling uproariously at whatever ranch house we encountered, we forcibly took possession of one. Our object and profession explained, they gave us what they had to eat, namely, watermelon and honey [!].

The weary engineers essayed to sleep at the home of their obligatory host, but finding sleep impossible because of "*los insectos*," they arose very early and took their way to the hacienda of Tambo. There they were lodged in the home of one Manrique, who took a lively interest in their project and gave them some valuable information concerning the topographic details of the region and advice touching the best means of getting a railway up to the pampa.

. . . Among the routes proposed, all of the people of the neighborhood were of the opinion that if the ravine of Cocotea was not practicable, the sole hope would be that of Cahuintala. By this *quebrada* we undertook our return to the pampa, leaving that of Cachendo, which we recognized as a kind of continuation of the great pampa of Islay, separated from it, apparently, only by the hills of Huajri; but offering a point even lower than that to which we had come two days before.

Convinced that the sole solution consisted in reaching the lowest point of Cachendo, and that it was useless to look for ravines by whose bed the line could go down, I resolved to make the trace from Arequipa by the route explored, as far as the edge of Cachendo, and then to take the hills, spiraling or serpentine all terrain that presented itself with a 3 per cent [grade] until the sea should be reached.

However, as many spoke to us about the *quebrada* of Cocotea and of the slope of Subilaca, we took that way from Cachendo and returned to Arequipa, convinced of the impracticability of that route and that our trace was the only possible one.<sup>5</sup>

After this first venturesome "spying out" of the route,

<sup>5</sup> This narrative is taken from Blume's description of the survey as it is reprinted in *El Ferrocarril de Arequipa*, pp. 7-13.

Blume and Echegaray made a more detailed survey and devoted a number of weeks at Arequipa to making drawings and estimates. Don Enrique began where they stopped, and the definitive tracing of the road was, with some alterations, merely a development of the work of these daring and industrious men.

Meiggs had taken with him to Peru, as we have noted, the skeleton of an organization. Even before he secured his first contract, he added to the group some qualified men whom he found in Peru. Some of them were foreigners who had preceded him. Of this category were the Pole, Ernesto Malinowski, and the German-American, Federico Blume, whose earlier work has just been described.<sup>6</sup> Others were native Peruvians, like Manuel Mariano Echegaray, of Cuzco, who had assisted Blume and had obtained his technical training in France. Meiggs established a central office in Lima and shortly afterward subsidiary offices in Arequipa and Mollendo, where it was decided the seaward end of the operations should be initiated. Joseph B. Hill,<sup>7</sup> a North American whom Don Enrique had brought up from Chile with him, was made

<sup>6</sup> Blume was born in St. Thomas, an island of the group then known as the Danish West Indies—after 1917 the Virgin Islands—in 1831. His father was J. Karl Blume, a German, his mother Magdalena Othón, a Venezuelan of Cumaná. He had been educated in Berlin and Hanover, graduating in engineering at the latter place. He went to Lima in 1855, having already seen railway activity in Chile, where he had assisted in surveying the route of the Southern Railway, a part of which Meiggs later built (*El Ferrocarril de Arequipa*, p. 84 n.). A number of descendants of Federico Blume are now living in Peru, at the capital. Among them are the youngest son, Roberto, and the widow and the sons and daughters of the eldest son, Federico, Jr. The last-named son, while on diplomatic service in England, married an English lady. He later taught English for many years in the Peruvian National School of Agriculture. His death occurred in 1936. It should be added concerning the elder Federico that in his earlier years he had practiced his profession on certain southern railway lines in the United States, and that he invented a submarine quite independently of the work along the same line that was being brought to successful fruition in Europe. Though he completed and successfully demonstrated a working model of his machine in the harbor at Callao, it was not developed further because of lack of resources.

<sup>7</sup> Hill was born in Albany, New York, in 1830. He held various positions in cities of the East, most of them as superintendent of waterworks, then went to San Francisco. There he built piers and streets, and there he may have known Meiggs. In 1858 he went to Chile—at the suggestion of Meiggs, it may well be—and was associated in that country with the construction of the Santiago-Valparaíso Railway (*El Ferrocarril de Arequipa*, p. 206 n.).

superintendent of the Arequipa line. He substituted at various times for Don Enrique in the Lima office when the latter was absent on trips to Chile or elsewhere. About the end of 1869, that is, a year before the Arequipa road was finished, Meiggs brought to Lima from the United States his brother, John G., and made him general superintendent of his Peruvian projects. Under John G., Hill continued his duties as superintendent of construction on the Arequipa Railway.

Very little definite information has been found concerning John G. Meiggs's activities between the time when he slipped away from San Francisco with his brother in the little boat *America* and the time when, fifteen years later, he turned up at Lima at the beginning of 1870. Some remarks in letters which he wrote to relatives or friends in the United States while he was in Peru indicate that he had been in New York at least a part of the time, active in Wall Street operations.<sup>8</sup>

John G.—or “Juan G.,” as he was known in Peru—possessed many of the traits of his brother. He had the drive and ability to manage large enterprises. He was willing to take chances, though in this respect he possibly did not equal his brother. It appears that his going to Peru was due quite as much to his having been “long” on Pacific Mail stock at a time when Wall Street conditions were adverse, as to his expectations that in Peru he would make a fortune.<sup>9</sup> Somewhat more than a year after he assumed his duties at Lima, the United States consul-general there, D. J. Williamson, referring to Don Enrique’s “Chief of Staff,” described him as a man of “remarkable ability.” Exaggerating somewhat, Williamson added: “His great and comprehensive mind combines the talents of the statesman, the financier, and the noble philanthropist.”<sup>10</sup> John G. resembled his brother in his imposing

<sup>8</sup> Writing to D. R. Martin, New York, on May 20, 1870, he said: “What is going to become of Pacific Mail? Do write me occasionally!! My heart occasionally sighs for Wall St. but I manage to guard myself and I think I shall get over the desire to gamble after a few more years residence here.” (Meiggs Papers, Letter Book 1, pp. 254-255).

<sup>9</sup> *Ibid.* See also his letter to Wm. H. Herrick, a brother-in-law, dated Lima, May 13, 1870, in which occurs the sentence, “I am not rich, but expect to be soon” (*ibid.*, p. 75). A month later he wrote to C. Ashworth, New York: “I am as busy as possible in first rate health & spirits, and will return in about five years ready for a brush with the Street on better terms than before” (*ibid.*, p. 188).

<sup>10</sup> *Callao and Lima Gazette*, Sept. 16, 1871.

figure, but he appears not to have equaled him in attractiveness of personality. Don Enrique trusted him completely, and he was for half a decade an invaluable collaborator. John G. actually ran the undertakings, leaving Henry free to deal with government officials, to make business trips to Chile and Bolivia, to go about the country, and to look after the propaganda and political features of their business. Big decisions on matters of finance and policy were, of course, made by John G.'s "Prior," Henry.

On a par with Hill in importance was John L. Thorndike, who was chief engineer of the Arequipa line as well as of other later construction jobs. Other men who occupied positions of trust and responsibility in the organization of the Arequipa project were D. A. Crosby, Augustus C. Elmore, and E. Vallarino, assistant engineers; Wallace Stewart, stationmaster at Mollendo and later paymaster of the line; John Campbell, chief of division; Augusto Tomayo, Jacob Backus (a nephew of the Meiggses), and William Wiseman, chiefs of section.

Not long after the Meiggs operations were launched in Peru, a stream of letters began flowing in from persons seeking employment. Doctors, engineers, stonemasons, bridgemen, mechanics, ladies who wished to teach music or English to Peruvian youngsters or the children of foreigners living in Peru—these and others, from Europe, from North America, and from various places in South America, wrote to Don Enrique. Scores of answers to such letters are to be found in the Letter Books of the Meiggs Papers. The inquirers were discouraged from coming to Peru except where there was a definite need in the railway-building organization. Many apparently went without preliminary correspondence. Don Enrique was averse to sending abroad for anyone, for he seemed to think that persons sent for might deem themselves indispensable.<sup>11</sup> Another reasonable argument against importing foreigners except when it was absolutely necessary was that it was good policy to employ native Peruvians.

Throughout the early and most active years of Meiggs's

<sup>11</sup> John G. Meiggs to Thorndike, Lima, May 10, 1870 (Meiggs Papers, Letter Book 1, p. 224).



operations in Peru there was a lack of competent engineers. In a letter to Thorndike, John G. registered desperation concerning this difficulty when he wrote: "You say you are short of good Engineers please take *all* of mine!!—You may be able to do *something* with them, but I tell you beforehand God Almighty has done but little. Seriously, we *must* have some good Engineers. When Don Enrique arrives I shall insist on it, and if he dont approve my sending to New York, I shall *do it nevertheless*."<sup>12</sup>

From such sources the heads and the trained portions of the organization were secured. The problem of the man power which should actually bore the holes for blasting, move the rocks and dirt, and perform the multiplicity of other operations which the work entailed was a different and an even more serious one.

Meiggs had understood from the very beginning that sufficient man power could not be found in Peru. The fact is implicit in those clauses of his contracts concerning laborers. Peru's population, according to the census of 1876, was but 2,699,945.<sup>13</sup> In 1868 it was certainly not greater. The major part of this population consisted of Indians of the Andean highlands to whom railway labor was not attractive. Indeed, in the period under consideration, there was a shortage of labor on the *haciendas* of the coastal valleys and in the guano beds of promontories and islands. The words of a Peruvian contemporary on this subject of the Peruvian and labor are not without interest:

. . . The lower order of people in Peru, that order from which we have a right to expect labor, as a mass, does not perform enough of it; no natural, or sufficient artificial, stimulus exists to induce all classes, men, women, and youths, to labor; no laws exist to enforce a judicious employment of time among the lower classes generally, who, too often, prefer poverty and a half-starved life to energetic action and an enlightened mode of living, comfortable and promotive of health and longevity, and which elevates man so high above the brute creation.

<sup>12</sup> *Ibid.*

<sup>13</sup> *Resumen del Censo General de Habitantes del Perú hecho en 1876* (Lima, 1878), general summary between pp. 846 and 847. Previous to 1940 this was the only general census that had been taken in Peru.

It is an astounding fact that not less than one third of the people of Peru, as a mass, perform little or no labor at all—nothing at all by which the nation is enriched, and they themselves made better, more intelligent, more enlightened. It cannot have escaped the notice of observant men, native and foreign, much less of those who form the hiring class among us, what a vast number of the population idle away their time.<sup>14</sup>

Some years earlier, in an attempt to supply the deficiency of labor, the importation of Chinese had been begun. Thousands of these immigrants—*slaves*, one might say without great exaggeration—were being introduced yearly.<sup>15</sup> But this source did not supply adequately even the needs of plantation owners and guano operators, not to mention those of Don Enrique. No less than an army of laborers would suffice to meet his requirements. In order to appreciate the true magnitude of Meiggs's labor problem, one must bear in mind that more than a year before he finished the Arequipa Railway he had begun work on the Oroya and the Arequipa-Puno roads and others of less importance.

It was to be expected that in order to solve this question of man power, the contractor would have recourse to Chile. There he had executed great works with the labor of the industrious, if rude, laborer, the *roto*. Some nine thousand of them had been employed in building the Santiago-Valparaíso Railway. Meiggs had shown himself to be skilful in handling these men, and their work had been very profitable for him. Nothing more logical than that, needing laborers in Peru, he should turn to them.<sup>16</sup>

In the fall months of 1868 there appeared in the newspapers of Santiago and Valparaíso notices addressed to laboring men. One of them runs thus:

<sup>14</sup> *Callao and Lima Gazette*, Nov. 30, 1871.

<sup>15</sup> See files of Lima and Callao newspapers of the period, *El Comercio*, *El Nacional*, *Callao and Lima Gazette*. There is in Peru quite a large literature on the subject, much of it in pamphlets, e. g., *Inmigración asiática* (anon., Lima, c. 1870); Cipriano C. Zagarra, *La Condición jurídica de los extranjeros en el Perú* (Santiago, 1872); César Borja, *La inmigración china* (Lima, 1877).

<sup>16</sup> The subject of the Chilean laborer in Peru in Meiggs's employ has been treated by the present writer at some length in an article, "El trabajador chileno y los ferrocarriles del Perú," *Revista Chilena de Historia y Geografía*, LXXXV (Dec., 1938), 128-171.

*Enlist for the Mejía-Arequipa Railway (Peruvian Republic).* There are needed for this work sappers and unskilled laborers who wish to enlist under contract. In order to learn conditions, pay, and other particulars, those interested may apply to No. 144 Cochrane Street. Those who may enlist there will begin their work in the port of Mejía, the climate of which place is unsurpassable and entirely healthy.<sup>17</sup>

A few weeks later, in order to speed up the response, the notice was changed, made more explicit and more attractive:

PEONES.—For the Mejía to Arequipa Railway. On those works, which ought to last some three years, the Chilean peon is paid *sixty centavos* a day in Chilean money, in addition to house and food.

In case of illness which may prevent work, the laborer will be furnished house, food, physician and medicine without charge while his illness lasts. Moreover, there will be a chaplain who will officiate every Sunday and on holidays.

Those who wish to go to the works may report to Valparaíso in order that passage in steamships may be furnished them, to No. 311 1-2 Victoria Street.<sup>18</sup>

Such was the renown of Don Enrique among his former employees in Chile that they volunteered for Peru in great numbers. Had he not in the past treated the Chilean workmen with kindness, given them abundant food and good wages, and provided them with entertaining diversions? Only an affirmative answer was possible. And now he was even offering them spiritual care! Other considerations were involved. Don Enrique was offering the men for labor in Peru a wage approximately double that which they were being paid by plantation owners and other employers in their own country. And to this wage he was adding house, food, medicine, doctor, and chaplain, with free transportation to the scene of labor. Add the fact, frequently asserted by Chilean writers of the time, that the *roto* possessed an adventurous spirit and an "itching foot,"<sup>19</sup> and it can be appreciated that the summons to Peru

<sup>17</sup> *El Mercurio* (Santiago), May 12, 1868.

<sup>18</sup> *Ibid.*, Aug. 28, 1868. The number in Victoria Street was that of the firm of Watson and Meiggs, Mr. Meiggs being a son of Don Enrique. This commercial house functioned as Meiggs's Chilean agent during a great part of the period of his operations in Peru.

<sup>19</sup> See, e.g., *El Mercurio* (Santiago), May 28 and July 29, 1871.

was irresistible. In a short time hundreds, not to say thousands, were flocking to Valparaíso seeking passage to the "promised land." The Chilean author Hernández paints this graphic picture of a scene that was to be observed in the chief port of his country on July 28, 1868, the date of the Peruvian national holiday:

Preceded by two entwined flags—the Peruvian and the Chilean—a group of Peruvian agents who carried in the van a band of musicians marched through the principal streets of Valparaíso calling on all Chilean laborers who wished to go to Peru to enlist, without limit as to number, because as the first section five thousand or more were needed. A thick column two squares long of those who had already made contracts followed the agents with placid faces.<sup>20</sup>

The current of Chilean migration which began flowing toward Peru about midyear of 1868 continued for the greater part of four years. It increased or decreased in volume according to the demand for workers on the Meiggs railway projects, but generally speaking it was continuous. Almost every steamer that put out from Valparaíso and from other ports of the country bore its contingent of laborers who went in quest of the gold which they expected to find at the foot of the Peruvian rainbow. Apropos of this movement, a contemporary writer exclaimed that on the steamers which plied the Pacific between Chilean and Peruvian ports there were "as many peons as potatoes"! The emigrants were not deterred by news—not slow in appearing in the Chilean press—of the prevalence of yellow fever, smallpox, and other adverse conditions which awaited them in Peru.

Official figures recording this movement do not exist. Consequently, it is impossible to state definitely the number of Chileans who went to Peru in this four-year period. Estimates, most of them from Chilean sources, usually place the number at twenty to thirty thousand.<sup>21</sup> It should be noted

<sup>20</sup> *El roto chileno*, p. 102.

<sup>21</sup> Numerous articles on the subject appeared in 1871 in the *Boletín de la Sociedad Nacional de Agricultura*. See II (April 1), 199, 200; (June 15), 329. This Society was deeply interested in the matter because the Chilean plantation owners were particularly hard hit by a labor shortage consequent to the movement.



that in many cases wives and children accompanied the men. Everything considered, it does not appear unreasonable to accept 25,000 as the probable total of Chilean workers who were attracted to Peru to aid by the sweat of their brows in the fulfillment of Don Enrique's railway contracts.

Naturally, not all of them were used on the Arequipa Railway. The Peruvian author of *El Ferrocarril de Arequipa* declares that the total number of foreigners employed in the building of that railroad was 10,000 and that of these some were Bolivians.<sup>22</sup> Another contemporary asserted that "12,000 laborers native and foreign, the latter mostly Bolivians and Chilenos," had contributed to the building of the railway.<sup>23</sup> The Bolivians were employed on those sections of the line which were nearer Arequipa. A booklet concerning the railway which was published during the later stage of the work (it consisted of a series of photographs, with sketchy comment) contains the statement that when the material for this publication was being gathered, on one of the sections 2,345 men were employed, all of them being Bolivians and Peruvians.<sup>24</sup> On another section the workmen numbered 650 Bolivians and 850 Chileans. Meiggs himself made the statement that Chileans formed the greater part of the army of laborers which built the railway.<sup>25</sup> From all of this it appears that a majority of the laborers were Chileans and that of the other two elements, the Bolivians probably outnumbered the Peruvians. |

This force of laborers was promptly sent into action. With the earliest volunteers, beginnings were made at three points—on the elevated pampa above Islay on May 28 (less than a month after the validation of the contract), on a section not far from Arequipa in June, and at Mollendo on July 17, 1868.<sup>26</sup> For convenience in presenting the narrative that follows, the route of about 107 miles—starting at Mollendo—

<sup>22</sup> P. 207.

<sup>23</sup> *The Railroads of Peru*, p. 6.

<sup>24</sup> B. F. Pease, *Lista de Vistas Fotográficas del Ferrocarril de Mollendo a Arequipa, etc.* (Lima, 1870), pp. 10-11.

<sup>25</sup> *El Ferrocarril de Arequipa*, p. 376.

<sup>26</sup> Pease, *op. cit.*, reprinted as an appendix to *El Ferrocarril de Arequipa* (without photographs), pp. 453-454.

which the railway was to pursue will be divided into three sections:

1. Mollendo to Huagri (the "Huajri" of Blume's narrative). This section embraces about 42 miles. The route runs southeastward along the coast then inland, rising only slightly, to Tambo, some 20 miles from Mollendo. It then enters very rough country and passes abruptly upward through the *quebrada* of Cahuintala to arrive at Huagri on the pampa above at an elevation of some 3,000 feet.

2. Huagri to Vítor. In this section of about 40 miles the road crosses the comparatively smooth pampa, ascending gradually to reach Vítor at an elevation of slightly more than 5,000 feet.

3. Vítor to Arequipa. This section measures about 25 miles. Not far from Vítor lies a range of hills beyond which is another pampa. To traverse the hills and gain this pampa, the road climbs through the Huasamayo canyon and in doing so gains more than a thousand feet of elevation. From that point, without notable difficulties, the way slopes upward to Arequipa, the altitude of which is 7,550 feet.

It was intended originally that the ocean terminal of the line should be at Mejía, but it was found that the cove at that point was not well adapted to the needs of commerce. Consequently, in order to unload the materials needed in the work, the contractor found himself obliged—so he professed to think, at any rate—to resort to another point, some twelve miles along the coast to the northwest, where there is a somewhat better port, that of Mollendo.<sup>27</sup> It may be remarked here that for several years there was a warm discussion concerning the terminus of the railway. There were many who believed that Islay, still farther to the northwest, was a much better port than either Mejía or Mollendo and who urged that the railway be extended along the coast to that point. Indeed, there were not wanting those who advocated the building of a line directly up to the pampa from Islay to connect with the

<sup>27</sup> "Ferrocarril de Mejía a Arequipa," Memoria del Ministro de Gobierno, Policía y Obras Públicas al Congreso de 1872, *Documentos Parlamentarios*, 1872, I (not paged).

original route at La Joya.<sup>28</sup> Late in 1870, however, the authorities accepted the choice of Meiggs and his engineers and decreed that Mollendo should replace Islay as the official port of entry for southern Peru.<sup>29</sup> Mollendo has continued to this day to be the ocean terminus of the Arequipa Railway.<sup>30</sup>

Construction operations were commenced at Mollendo in July. Economy would be served, of course, by carrying the track upward from the coast, expensive transportation of materials on mule-back thus being avoided. Grading operations were carried forward simultaneously at several points on the pampa. The most troublesome section of the road climbed up through the canyon of Cahuintala. An attack in force was made on this difficult objective, the contingent of workmen employed there being increased until at one time it numbered 4,786. The source from which these figures are derived is also authority for the interesting statement that, in the period from September, 1868, to March, 1870, mules and burros to the number of 937 were used on the Mollendo-Cahuintala section.<sup>31</sup>

The Blume narrative has enabled the reader already to appreciate somewhat the extreme difficulty of the route which the line pursued from the coast up to the comparatively level pampa. After the ocean and the Río Tambo Valley were left, the terrain encountered was quite bare and dry<sup>32</sup> and exceedingly rough. It was necessary to twist and zigzag in a very tortuous manner in order to gain elevation and at the same time to keep within the grade established in the contract—

<sup>28</sup> *Ibid.* See also a three-column article in *El Comercio* of Feb. 9, 1872, which presents the case for Islay.

<sup>29</sup> Jesús Antonio Díez Canseco, *Para la Historia Patria*, pp. 17-27, discusses this matter.

<sup>30</sup> Actually, Mollendo as a port has many disadvantages. It is interesting to note that in 1938 the Peruvian government decreed the construction of port works at the Bay of Matarani, also to the northwest of Mollendo, and potentially a much better harbor. And the old question of building a road directly up to the pampa from that point has been revived. See the *New West Coast Leader* (Lima), Aug. 16, 1938, pp. v-vi of special insert; map and plan for port works are shown.

<sup>31</sup> Pease, *op. cit.*, p. 3.

<sup>32</sup> It has been said that water cost during nineteen months of construction work "no less than the enormous sum of S/500,000; that is to say at the rate of nearly one thousand soles per day" (*The Railroads of Peru*, p. 6).

4 per cent in general, but only 3 per cent on curves, the radius of which must not be less than 352 feet.

Work in the Cahuintala canyon, begun in April, 1869, was completed a year later, the entire year being required despite the fact that the distance from the town of Tambo near the entrance of the canyon to Cachendo, not far from the exit at the top, is less than six miles. Here 19,000 barrels of blasting powder were used. The cost of this short section alone was nearly \$3,000,000.<sup>33</sup> Small wonder that success in building it should have been thought an engineering triumph or that John G. should have exhibited relief when, describing the status of the work, he wrote to W. W. Evans on April 4, 1870: "At last they have finished the Cahauntala [*sic*] which so long stopped them, and the track layers are about the top of the Pampa today. They ought to lay at least five miles per week, and as the grade is complete for over 50 miles beyond the Pampa, and as 5,000 men are now working between Corralones & Arequipa (say 22 miles) I don't think I am wrong in saying that the road will be completed in October at the latest."<sup>34</sup>

Building the road across the pampa was a simple task compared with carrying it up through Cahuintala canyon. Drifting sand dunes occasioned some annoyance, but operations were carried ahead rapidly to Huasamayo canyon. Here again the way became formidable, only slightly less so than at the Cahuintala. After that obstacle was surmounted, the route to Arequipa was fairly clear.

Concerning the most difficult parts of the line, a contemporary who had inspected the whole, wrote:

The genius of man has had to conquer two great difficulties: the first is the complex or *purgatory* (as the peons say) of hills of Cahuintala which in the space of six miles (between Tambo and Cachendo) rises three thousand feet above the level of the sea, which has obliged the engineers to destroy hills in order to avoid ravines and abysses, and to multiply curves, making the locomotive *fly around*, if I may be allowed the expression, six or eight times in this labyrinth of heights; which allows the traveler to see the road in three places from some

<sup>33</sup> *El Ferrocarril de Arequipa*, p. 206, quoting Larrabure y Unánue.

<sup>34</sup> Meiggs Papers, Letter Book 1, p. 164.



points. . . . No one heretofore has raised a locomotive to a 3,000-foot altitude among mountains and abysses with no more base than six miles. . . .

The hills and abysses of Huasamayo form the other obstacle, the former being of granite and the latter having a depth of 400 feet and a width more or less the same. In this part science does less, but material labor and powder do more. . . .<sup>35</sup>

But notwithstanding the formidable obstacles, persistent and well-directed effort prevailed, and the road was at length completed. Apropos of construction speed, a Lima newspaper made a comparison with the rapidity with which the Union Pacific of the United States was built. At an equal rate, it was estimated that the Arequipa Railway could be built in fifty days under the least favorable circumstances; under the most favorable, in fifteen. The writer ended with the exclamation, "These are the prodigies of liberty in all its branches. Hurrah for the Yankees!"<sup>36</sup>

The materials that were needed for the construction of the road, as well as those which equipped it for actual operation, were brought in from abroad to an even greater extent than were the laborers who performed the work and the technicians who directed them. Tools, ties, rails, bridgework, engines, box-cars and passenger carriages, and much of the blasting powder used were imported. And, one may add, much also of the food with which the laborers were sustained. Practically all the bridgework of this road was constructed in England, a measure of economy, as John G. explained to an American firm.<sup>37</sup> The origin of a considerable portion of the other materials was made clear in lyric terms in the course of a speech which Don Enrique made at Arequipa when the opening of the road was being celebrated. Having made reference to the building of the terraplane by the common laborers of Chile, Bolivia, and Peru, he continued: "These construction works serve in their turn as base for the ties cut in the forests of Oregon or in the woods of Valdivia [Chile] by woodmen who

<sup>35</sup> *El Comercio*, Feb. 5, 1870.

<sup>36</sup> *El Comercio*, June 3, 1869.

<sup>37</sup> To Blodgett and Curry (Boston), Lima, March 13, 1870 (Meiggs Papers, Letter Book 1, p. 69).

came perhaps from the margins of Alba [i. e., from Italy] or from the fields of Ireland, on which lie the rails sent us by the forges of England, while the locomotives which have just brought us from the shores of the Pacific to the slopes of El Misti have come from the factories of New Jersey.”<sup>38</sup>

One of the engines was christened “La Joya.” Concerning it the author of *El Ferrocarril de Arequipa* declared that it was so lovely and so well made that “the Editors of the *Scientific American* could not let it leave the factory at Trenton without first taking a picture of it and making a description for the pages of that model periodical.”<sup>39</sup>

The matter of importing food for the laborers requires no elaboration, since it has been shown in a former chapter that Peru customarily imported large quantities of foodstuffs each year. The presence of the foreign laborers merely increased the quantity of such imports. An important source was Chile, where Don Enrique placed large orders with his agents, Watson and Meiggs.

Regarding the quality of materials used in the work, no complaint of any importance has been found. After the Oroya and the Arequipa-Puno roads had been contracted for—almost a year before the Arequipa line was completed—the Peruvian authorities appointed agents whose duty it was to inspect before shipment materials purchased for the roads in the United States and England. These men, appointed on the nomination of Meiggs, were Walton W. Evans for the United States and E. Wood for England.<sup>40</sup> Good quality of materials was insisted upon. Not long after he took over the office at Lima, John G. wrote to Evans: “Mr. Spinney [Meiggs’s New York purchasing agent] and yourself seem to think that because I asked for low prices in Cost, that I meant Cheap and Nasty. No such thing—I want the best of everything.”<sup>41</sup>

The subject of the laborers who built this road merits further attention. Don Enrique, when he had induced some eight

<sup>38</sup> *El Ferrocarril de Arequipa*, p. 321.

<sup>39</sup> P. 217.

<sup>40</sup> *El Nacional* (Lima), Feb. 26, 1870. Evans had been active formerly in railway work in Chile.

<sup>41</sup> Lima, May 17, 1870 (Meiggs Papers, Letter Book 1, p. 252).

thousand Chileans and one thousand or more Bolivians, with additional Peruvians, to enter his employ, had solved the major element of his labor problem. However, there yet remained the subsidiary problem of controlling and caring for these men. Let it be remarked here that with the passage of time and the coming of many other thousands of Chileans the gravity of that problem increased until, eventually, it entered the field of diplomacy and occasioned exchanges of a nature not entirely amicable between the governments of the countries immediately concerned. |

Chilean *rotos*, Bolivian *yanaconas*, and Peruvian *serranos* who were employed in building this road encountered conditions which in many respects were bad. In passing, it may be said that the life of none of them had been free from painful features before they became employees of Meiggs. On the line they sometimes had to endure a scarcity of water. Many were ill and lacked proper medical care. The high pay which they received was in actuality worth less than they had anticipated because of the prevalence of high prices in Peru. Their situation was complicated by bad feeling between the Chileans and the men of Bolivia and Peru. More serious, perhaps, than any other disadvantage was the fact that the Peruvian local authorities did not always function in such manner as to maintain order and protect the worker in his life and in his rights.

On the works the laborers lived in temporary encampments, *faenas*. Each *faena* had its chief, who was subordinate to a principal at Mollendo. The number of operatives in a *faena* was not fixed but conformed to the difficulties presented by the section of the grade on which they were employed. Some numbered only three hundred individuals; others, a thousand or more. An idea of the nature of these encampments can be gained from this description of the *faena* at Uchumayo, near Huasamayo, which was written by a Peruvian who had visited it:

The encampment, or *faena*, is situated on an arid plain surrounded by hills: a building of wood which the Chief and the directing employees occupy presides over the provisional village. The houses, in

great part of reed and cat-tail, some of wood and others simply of *zaraza*, form two handsome streets. Nor is its little plaza lacking. This encampment, so sorry by day, takes on great animation toward five or six in the evening, the time at which the laborers return from work.

In Uchumayo, as in the other *faenas* of the line, are to be found whatever articles a man needs: all are found in the shops, fresh meat, vegetables, preserves, notions, cloth, ready-made clothing, good shoes, etc.; and on holidays traveling merchants gather, thus giving more animation to the picture. There are barber shops and tobacco establishments and cook-shops, or restaurants where *maté* and the famous Chilean *cazuela* [a kind of stew] are served. As to prices, we must say that they are relatively moderate, since, thanks to the competition which the ruin of some merchants has originated, those times have already passed in which trade on the Arequipa railway was a species of *El Dorado* for speculators.

The circumstances of finding on sale as many things as he needs, of gaining a good wage which is no less than a *sol* and fifty *centavos* and even three and four *soles* per day, according to the work which he does, and of having near him his wife and his children make quite tolerable the life of the Chilean railway laborer.<sup>42</sup>

This picture, as other evidence suggests, is somewhat ideal. The artist did not paint the shadows, which were rather numerous. Nevertheless, with some toning down it will serve to indicate the general nature of the "home" life of the railway laborer.

The Chilean *roto* being what he was, it was not to be expected that life in these encampments should always be tranquil. Chilean writers who recorded the life and character of their working class are agreed that the *roto* was ignorant and abundantly supplied with vices.<sup>43</sup> The Peruvian climate did not alter his character. The Chilean minister in Peru, in a note addressed to the Peruvian Minister of Foreign Relations,

<sup>42</sup> E. Larrabure y Unánue, quoted in *El Ferrocarril de Arequipa*, pp. 220-221.

<sup>43</sup> Senator Vicuña, in the course of an address which he delivered in the Chilean Senate on July 31, 1871, said: "Drunkenness and gaming are the great vices of the Chilean peon" (*Sesiones del Congreso*, "Sesiones de la Cámara de Senadores de 1871," p. 60). See also Julio Menadier, "Los trabajadores del campo chileno," *Boletín de la Sociedad Nacional de Agricultura*, I (1869-1870), 381.



declared that something ought to be done to prevent "the development and overflowing of vices and passions which to a certain point were being encouraged and even exploited by private speculators" in the *faenas* of the Chilean laborers. He referred, he said, to games of chance, drunkenness, wines, and the quarrels which followed as a natural consequence "wherever there might be numerous gatherings of Chilean laborers, who, little careful of the future, spend in an hour a whole week's pay."<sup>44</sup>

The writer of a letter which had its origin in the office of Meiggs at Mollendo made reference to the tertian and dysentery which existed in several camps. These diseases, he declared, were due principally "to the drunken and careless habits of the men."<sup>45</sup>

Drunkenness in the camps was common. Meiggs's officials made many efforts, not uniformly successful, to induce the government to forbid the sale of liquors in towns near encampments. Concerning this matter, J. B. Hill wrote to a certain de la Hara at Arequipa: ". . . it is necessary that some immediate steps should be taken to prohibit the sale of Liquors in Mollendo particularly. The work of the Empresa is greatly retarded owing to the illness of the men, caused entirely by the facility of purchasing it, and the excess they take owing to their debauched and careless habits. Not only this, but there are so many here now who do nothing but sell Liquor that all workmen on the road try to get here."<sup>46</sup>

These vices—allied, perhaps, with national prejudices—led to regrettable, sometimes grave, incidents. The superintendent of the Arequipa line declared that it cost not a little effort to establish order among the peons imported for the construction of the road. He stated that for various reasons—"love, gambling, and rum principally"—frequent riots occurred, assuming at times the aspect of revolutionary *pronunciamientos*.<sup>47</sup>

<sup>44</sup> June 6, 1871, MSS, Archivo Nacional de Chile, *Ajentes de Chile en el Perú*, 1871, No. 18. The Chilean minister was Adolfo Ibáñez, who was shortly to become Chilean Minister of Foreign Relations.

<sup>45</sup> To Watson and Meiggs, May 6, 1869 (Meiggs Papers, Letter Book [without number], p. 413).

<sup>46</sup> April 29, 1869 (*ibid.*, p. 226).

<sup>47</sup> *El Ferrocarril de Arequipa*, pp. 217-218.

A single instance will suffice for illustration. On July 18, 1870, a fight took place between a party of Chileans and another of Bolivians who were employed on the line. The riot lasted some hours, at the end of which time the Bolivians ceded the field to the Chileans. The former fell back on other *faenas* located in the district, leaving in the hands of the victors their houses, their women, and whatever they had. The government did not use force against the offenders because it feared that a revolution might ensue.<sup>48</sup> The *roto*, to put it mildly, was not inclined to be overpacific. He preferred the fist as his rule of government.

This disorderly condition was difficult to deal with since the encampments were in many cases situated in desert regions at inconvenient distances from the ordinary peace officials. In order to meet the difficulty, the government instituted an ambulatory office. The duty of the incumbent, called a subdelegate, was to maintain order along the line. He and the "judges" whom he appointed for the different encampments exercised rather broad powers, probably too broad. The "judges" were empowered to investigate all cases of disorder and—except where there was patent criminality—to inflict summary punishment. The more serious cases were handled by the regular authorities at Arequipa. Peruvian commentators were inclined to describe the powers exercised by these officials as "patriarchal," but Chilean observers qualified them as dictatorial and unjust.<sup>49</sup> Whatever may have been the correct adjective, these officials did improve somewhat the social conditions on the line.

The Chilean laborer (perhaps the Bolivian and the Peruvian as well) was disappointed in the anticipated wage. The pay that had been promised was given, but as the great activity in Peru occasioned by the extensive public-works program

<sup>48</sup> *El Mercurio* (Santiago), July 31, 1870, presented an account of the affair which was sent by an Arequipa correspondent.

<sup>49</sup> The system is described in *El Ferrocarril de Arequipa*, pp. 218-219. For Chilean criticism, see report of the Chilean Minister of Foreign Relations to the Congress of 1871 in *Memorias Ministeriales de Chile*, XXXV (1871), I, 14-16; and Godoy, chargé in Peru, to Chilean Minister of Foreign Relations, Lima, Oct. 19, 1868 (MSS, Archivo Nacional de Chile, Agentes de Chile en el Perú, 1868-1870, XVII, No. 70).

caused a decided inflation in prices, it purchased much less than had been expected. Complaints brought increases, but the increases did not make the pay sufficient to cover the recipient's primary necessities, if Chilean statements are to be credited.<sup>50</sup> A Chilean who resided in Peru at the time when he wrote, declared that in Peruvian markets "a hen cost two or three pesos, that there were no fresh vegetables, and that cereals, when they were not stale and consequently damaged, were sold very dearly." As to clothing, he continued, "I can assure you that here it costs ten times as much as in Chile."<sup>51</sup> Such facts assist one in interpreting the exaggerated statement of John G. Meiggs that of the Chileans who reached the works, "almost all deserted at the first opportunity."<sup>52</sup>

A dispatch of the Chilean minister in Peru to his government contains some significant observations on the subject of the condition of his fellow-citizens in Peru. Since the document is official, its statements are, perhaps, not greatly exaggerated:

As to the conditions of his life, it will suffice me to say to Y. E. that the Chilean peon is simply considered as a machine for work.—He is paid, it is true, a high wage, but all the vices and bad inclinations natural to an ignorant and coarse people are exploited and encouraged without drawing out in his favor any portion of the many and good qualities which are inherent in him.

That high wage could be useful to them in laying up some savings which, while it would be a guarantee for the contractor, would at the same time enable them to return to their country with the well-being which they deserve after the hard and painful labors to which they have devoted themselves.

But the high price of the foodstuffs that are furnished the laborer by peddlers and private speculators, the losses which he suffers because of games of chance, drunkenness, and other vices, are the cause of the fact that the laborer after great hardships departs from his labor as poor and as miserable as before and with the disadvantages consequent to the loss of his strength and his health.

<sup>50</sup> Hernández, *op. cit.*, pp. 106-107, quoting a correspondent from Peru.

<sup>51</sup> "Los trabajadores chilenos en el Perú," *Boletín de la Sociedad Nacional de Agricultura*, II (July 1, 1871), 305.

<sup>52</sup> To Watson and Meiggs, Feb. 21, 1872 (Meiggs Papers, Letter Book 5, p. 615). John G. was at this time badly out of sorts with the Chileans for various reasons.

Aside from this, the Chilean laborer is a kind of anonymous being whose disappearance and death means nothing more than the erasure of the number that belongs to him in the *faena*.<sup>53</sup>

It is impossible to learn precisely what was the treatment accorded to the laborers on the Arequipa Railway—and on others later constructed. The matter almost immediately entered the field of disputation, chiefly because so many of the men were Chileans. The Chilean authorities, motivated in part by urgent demands of influential persons who felt the pinch of a labor shortage, and in part by jealousy of Peru, whose aggrandizement by Chilean power they could not see with equanimity, were interested in stopping the migration of workers. So, quite naturally, they painted in somber colors pictures of their life in Peru. For contrary reasons, the Peruvians were anxious to reveal the opposite side. Both parties exaggerated. The conviction, however, cannot be avoided that the condition of the railway laborer was unenviable. Sufficient to sustain this conviction would be the single fact that two thousand laborers died in the course of the building of this one railway. Since these figures come from a Peruvian source, they cannot be considered as exaggerated.<sup>54</sup>

Mention has been made of the earthquake of August 13, 1868, and its tragic results. It destroyed almost completely the city of Arequipa, populated at the time, if one includes the near-by suburban towns, by some thirty thousand people. The earthquake, with its lamentable consequences, aggravated the misfortunes of many of the employees of the road, and of many Chileans who had been employees but had left the works and gone to the city. The Chilean consul at Arequipa declared in an official dispatch of the following December that there were in the hospitals of the unfortunate city a great number of Chileans who were suffering from tertian and smallpox. He added that the hospitals were so badly administered that

<sup>53</sup> Adolfo Ibáñez to the Chilean Minister of Foreign Relations, Sept. 7, 1871 (MSS, Archivo Nacional de Chile, *Ajentes de Chile en el Perú*, 1871, XVIII, No. 95).

<sup>54</sup> *El Ferrocarril de Arequipa*, p. 208. "Allí estaba el caserío, mas allá el hospital, en aquella cima se ve el cementerio. Grande fué el tributo (2,000 hombres) que pagó á la muerte aquella población nómade que avanzaba lentamente allanando el alto muro para franquear el paso á la locomotora."



"all, or at least the greater part" of those unfortunate ones must die.<sup>55</sup> In January of the following year, Joaquín Godoy, Chilean chargé at Lima, reported that yellow fever reigned with an epidemic character in almost all the ports of the south Peruvian coast.<sup>56</sup>

On learning of the condition of Arequipa, Don Enrique immediately ordered that his men be taken up from their camps on the road to furnish what aid they could.

It would be unjust to place on Meiggs's shoulders the entire responsibility for the regrettable condition of his laborers. It is reasonable to attribute it to a combination of factors—geography, lack of conscientiousness among the subalterns of the undertaking, the character of the workmen, the nature of the Peruvian government, and the desire for gain which, of course, Don Enrique shared with his subalterns, and, it cannot be doubted, at times with Peruvian officials.

The foregoing account of labor and its conditions on the railway has suggested that justifiable complaints were not all on the part of the laborer. The employer also had some valid grounds for dissatisfaction. No complaint has been discovered regarding the Bolivian contingent. Apparently they were tractable, industrious workers. After several months of work, an official of the line stated that a Mr. Marly, who was in charge of the *faena* at Huasamayo, had expressed himself as "perfectly satisfied" with the Bolivians there and "would like to see their number considerably increased."<sup>57</sup> It has been shown that the Chilean, although a good workman when he worked, was prone to be quarrelsome and somewhat independent in his movements. Of the laborers in Peru—the foreign element probably considered with the native—John G. wrote: ". . . laborers in this country cannot be made to take proper care of tools of any kind. If complaint is made to them, they simply let fall whatever they have in their hands, and quit."<sup>58</sup>

<sup>55</sup> To Chilean Minister of Foreign Relations, Dec. 13, 1868, cited by Hernández, *op. cit.*, p. 108.

<sup>56</sup> Jan. 26, 1869 (MSS, Archivo Nacional de Chile, *Ajentes de Chile en el Perú*, 1868-1870, XVII, No. 95).

<sup>57</sup> J. B. Hill (?) to C. Wagner, Mollendo, March 29, 1869 (Meiggs Papers, Letter Book [unnumbered], pp. 121-122).

<sup>58</sup> To W. W. Evans, May 17, 1870 (*ibid.*, Letter Book 1, pp. 251-252).

The catalogue of the Yankee contractor's difficulties is not yet complete. Peruvian politics "gave him to think." It was feared in midyear of 1870 that a revolution was imminent. On August 1 John G. wrote to Campbell, a trusted employee at Arequipa: "Don Enrique hears 'from a source which he cannot despise' that there is great danger that a *Revolution* may be attempted at any moment in Arequipa, and he begs that you will take every precaution to prevent any of the '*Devils*' from tampering with the men or the Mayor Domus. He also requests that you will use your best endeavors to ascertain what is going on, and to communicate as soon as you hear anything at once."

A letter of similar tone went to J. B. Hill at Mollendo.<sup>59</sup> Altogether, the Meiggses and their subordinates must have felt at times that they were sitting severally on blasting powder kegs with slow fuses attached and smoking.

Despite difficulties of whatever nature, the *empresa* of building the Arequipa Railway went forward with rapidity under the spur of Don Enrique's energy and his desire to gain a sizable bonus. Christmas Eve of 1870 saw completed the last bit of work—except the laying of the ultimate rail at Arequipa.

<sup>59</sup> *Ibid.*, Letter Book 1, pp. 453 (Campbell), 454 (Hill).

## VII

### INAUGURATION OF THE AREQUIPA RAILWAY

THE COMPLETION of the Arequipa Railway afforded an unrivaled opportunity for pageantry. Three centuries of colonial existence had made traditional in Peru extravagant celebration of events that were more than ordinary. One is amazed—even shocked, it may be—to read of the money and time lavished on the festivities which customarily attended the arrival at Lima of a new viceroy. Knowing this tradition, one is not surprised that President Balta and Don Enrique should have determined to signalize in the most impressive manner possible the inauguration of this railway, the first fruit of a most ambitious public-works program.

Considerations more influential than mere tradition were involved. The economic resources of the country had been pledged to support the construction of a half dozen important railways and a considerable number of less important ones. From the first there had been some criticism of the program as unsound and extravagant. Already, before the end of the year 1870, symptoms of financial distress were noticeable, and doubts and criticism were growing. An elaborate celebration of the completion of this railway would, it was hoped, drown out, or at least weaken, the voices of critics.

Moreover, it was good national policy for President Balta to pay a visit to Arequipa, and such a visit would logically be a part of a grand inauguration. Arequipa, second city of the country in size and importance, had been throughout the national period a focus of revolutionary infection. Previous to the administration of Balta, the only head of the state who had gone there without a saber in his hand and an army at

his back (or before him!) was the great Liberator, Simón Bolívar himself. This troublesome city had now been endowed with the first important railway of the country, and the feelings of its people toward the national government were in the main friendly. At the same time it was just rising from the ruins of the earthquake of '68. To rejoice with it in its good fortune and at the same time to sympathize with it because of its recent distresses would perhaps do much to strengthen its loyalty to the central government. Furthermore, a great national celebration there at this time would dramatize Don Enrique's idea that the surest way to eradicate the existent tendency toward revolution was to keep the people busy at a gainful occupation.

A further motive for emphasizing the opening of this railway to traffic was found in Peru's international situation. For some years, and particularly during the decade just passed, Peru and Chile had been disputing, in a silent but active struggle, for political dominance in the South Pacific. Peru's profits from the exploitation of guano were equaled, if not surpassed, by those which Chile derived from nitrates of the desert of Atacama. And Chile, it must not be forgotten, already for almost a decade had been enjoying the advantages of possessing a major railway. The completion of the line which connected Arequipa with the coast marked an important step in the race with Chile, and the event ought to be celebrated with sufficient noise to be heard at Santiago and Valparaíso. And if the echoes should resound in London and Paris, it would probably do no harm to Peru's chances of floating further bond issues in those centers of capital.

Besides these weighty considerations, there was the quite human one that both Balta and Meiggs, having, as they believed, accomplished well a worthy task, and being what they were, would enjoy the plaudits and the adulation of the celebrating crowds. About this time a Peruvian writer said of Balta that he had "as it were a monomania for railways and public works: infirmity of divine inspiration in a governing head," and predicted that the period of Balta would be "the Octavian era of Peru." It was the same individual who called



Meiggs "the Messiah of the railways for the salvation of the Peruvian Republic."<sup>1</sup> Can it be a matter of surprise that a president so "inspiredly infirm"—or should it rather be put "infirmly inspired"?—and his "Messianic" railway builder should have desired a notable signalizing of the completion of the first great project of their collaboration, whether or not it partook of the nature of "divinity"?

At any rate, it was decided that the inauguration should take the form of a great national celebration. With all possible pomp, the government, the diplomatic corps, and a great many of the private individuals of consequence in the capital city would go to Arequipa for that purpose. El Misti, famous volcanic peak that overhangs Arequipa, should vibrate with their enthusiasm and the mighty chain of the Andes should echo the sound of their rejoicing.

The pageant had its beginning at Lima and Callao on the afternoon of December 27. The actors were the prominent members of Limenian society of both sexes. The number of those who made the voyage was eight hundred—which surpassed incomparably the "four hundred" of New York City. Everyone who "mattered" had an invitation from either the President or Don Enrique; not to have been invited was a minor tragedy. Two special trains were provided to transport the celebrants to Callao. At the port awaited them the four vessels which were to carry them on the two-day voyage to Mollendo—the *Chalaco*, the *Independencia*, the *Pachitea*, and the *Panamá*. The first flew the flag of the president and provided passage for the government officials, the diplomatic corps, and other notables. The last had been chartered by Don Enrique and bore more than sixty persons, not including

<sup>1</sup> *El Ferrocarril de Arequipa*, pp. lxxxi-lxxxii. Bearing the name of no author, this work, already several times cited, was published at Lima in 1871 as an element of the celebration of the completion of the Arequipa Railway. It consists of an introduction of 89 pages and, with various appendixes, 459 other pages. Pages 1-169 present an account of the preliminary steps in the history of the railway, Blume and Echegaray's survey, contracts for building which had not been executed, and the making of the contract with Meiggs. The section from page 169 to page 410 is a detailed narrative of the inaugural activities with, in most cases, quotation in full of the many toasts and speeches made. In the narrative of this chapter, where not otherwise indicated, the facts are derived from this source.

servants. The other two vessels accommodated the remaining voyagers.

Leaving Lima promptly at two o'clock in the afternoon, the trains reached Callao in such time as to permit the President and his party to embark at four o'clock. (Apparently the various activities of this and succeeding days of the celebration began promptly at the time announced, that is, *hora inglesa*—"English time"—rather than at any time during the hour afterward, or *hora peruana*! This is surprising in view of the fact that tardiness in starting a set program might without injustice be called "an old Peruvian custom." Perhaps it was another demonstration of Yankee efficiency.)

Despite the heat—for it must be borne in mind that December and January are midsummer months in Peru—Callao, while embarkation was under way, presented a scene of the greatest animation. In the words of an eyewitness:

. . . the pier is crowded with curious men and women, with porters who go, with boatmen who come, with trunks, valises, and other *nondescripti* which continue to accumulate while waiting their turn to be taken to the boats. The people bustle about, the clamor increases, the sun beats down fiercely, and not even in a beehive during the hours of labor is such continuous movement to be observed as is seen in the vicinity of the customs house and the pier at Callao. It looks as if everyone is afraid of being left behind, or as if there is not room for all, or as if launches will be scarce at the last moment. That Babel in miniature begins, nevertheless, to straighten itself out and the superb bay to be covered with craft of all descriptions, which bear the passengers to the *Chalaco*, which has been, as leading ship, the preferred boat and in which are gathering the main body of the expedition. The boat is flying the insignia of His Excellency and is under the orders of a gallant naval officer, Captain Tellería, who has adopted the measures best calculated to assure that everyone shall be accommodated according to his desires, notwithstanding the crowd, which has been greatly increased by the many who think of going to Mollendo without previous invitation. The officer who is at the gangway has to decide the most delicate questions with a diplomacy as astute as it is gallant.

The *Panamá* bears also its guests and its tickets and its order, without which all would be like a tailor's chest, with more pieces than are necessary. The polished gentleman who serves it as captain and is

dressed in parade uniform, as are all its officers, has to struggle with the flood of the invited and the uninvited, the patient and the impatient, and with all the foibles and fancies of terrestrial humanity which, when it goes to sea, forgets that it has changed elements. One may be sure that the tables of the steamer are covered with cold-cuts, fruits, and flowers, sweets, flags, hieroglyphics, and decorations, while hot viands are arriving, the imminent threat of which was causing the soup plates and the towers of plated ware to dance about in lively anticipation.<sup>2</sup>

The scene was made gayer, and at the same time more impressive, by the presence of several national war vessels which were anchored hard by the point of embarkation. All were in parade dress. Their bands, as the vessels of the expedition drew away on their voyage, played the national anthem. As its last note trembled into silence, the ships' cannon crashed in the presidential salute.

Don Enrique's *Panamá* arrived at Mollendo on the morning of the twenty-ninth. Its passengers began to disembark at eight o'clock. The other boats, slower than the *Panamá*, did not make their appearance until midafternoon, the *Pachitea* even later. The passage had been for Meiggs's guests one of much enjoyment but of little sleep. Whether because the chroniclers traveled on the *Panamá* and were particularly impressed by their treatment, or because Don Enrique did actually surpass the President in attentiveness to his guests, the records have much more to say of the marvels of hospitality performed by Don Enrique than of those by President Balta on the *Chalaco*. On the *Panamá* the guests enjoyed every possible kind of convenience. Meals, wines, liquors, fruits—all were available at whatever hour one might desire them. A military band furnished music at frequent intervals, and the ladies and gentlemen "danced in order to dissipate the seasickness of the passage." The correspondent of *La Sociedad* (Lima) exclaimed: "You have heard accounts of the splendid treatment which Marc Antony gave to those who were in the squadron in which he received Cleopatra? Well, that was the miserable entertainment of a village mayor compared with the

<sup>2</sup> *Ibid.*, pp. 170-171.

luxury, the splendor, the abundance that were found at that moment on board the *Panamá*."

Though the reporters say nothing specific on the point, it is probable that the passengers on the President's boat also found an abundance of food and diversion. Their eminence would assure such a condition. Besides President Balta, the group included the cabinet members: Dr. José Jorge Loayza, Minister of Foreign Relations; Colonel Manuel Santa María, Minister of Government, Police, and Public Works; Dr. José Aranibar, Minister of Justice, Instruction, Religion, and Charity; and Dr. Nicolás de Piérola, Minister of the Treasury and Commerce. (The President's brother, Colonel Juan Francisco Balta, Minister of War and the Navy, was not present. He remained at Lima to represent the government during the two weeks of the President's absence.) Other notable guests of the President were Sr. Garrou, Italian minister; Sr. Ibáñez, Chilean minister; the Count of Monclair, chargé d'affaires of France; Baron von Busen, Prussian minister; Sr. Pereira Leal, Brazilian minister; Mr. H. M. Brent, chargé d'affaires of the United States; and the Bishop of Puno, Dr. Ambrosio Huerta. It is of some interest to notice that the dean of the diplomatic corps, Dr. Juan de la Cruz Benavente, Bolivian minister, was not on the *Chalaco*, but was instead a guest of his personal friend, Don Enrique, on the *Panamá*.

Strenuous efforts had been made to give Mollendo a festive appearance—a somewhat difficult task. The region is entirely desert. No single sprig of green was to be seen, for water, which Meiggs later under contract with the government brought in from the mountains, was not yet available in quantity. A few houses stood on the high sea bluff and some others on the narrow shore below, the greater part of them offices and storehouses of the Meiggs enterprise.<sup>3</sup> In the back-

\* An English traveler who visited Mollendo the following April said of it that it had all the appearance of freshness in its dwelling houses as of solidity in the building. "Amongst these the chiefest are the stores of the railway station. A few years ago Mollendo was a barren, and uninhabited rock, and although the barrenness is not much improved upon, it has a sufficiently numerous population. That it is keeping up with the necessities of its progress is evident from the



ground rise bare mountains of melancholy aspect, usually curtailed by fog or clouds. But the customary flags, bunting, and arches had been unsparingly used, producing an effect which was described as "more tasteful than luxurious." The wharf was located on a small island which was connected to the mainland by a short bridge. On an arch above this bunting-draped structure was displayed the inscription, "VIVA EL PERU—VIVA EL PROGRESO—ADELANTE." The last word, declared a Peruvian writer, was a translation of the "*Yankee go ahead*," which is the *in hoc signo vinces* of the modern crusade."

The first ceremony after the debarkation of the President was the delivery of a formal greeting which was brought to the Chief Executive by a commission of citizens of Arequipa. Shortly afterward the party sat down to a surprise banquet provided by Meiggs. The dining room therefor—sixty by seventy yards and capable of seating eight hundred persons—had been improvised from awnings. The tables, also improvised, were arranged in symmetrical rows and were "beautifully decorated." It was an occasion for toasts, and many were given in the course of the two and a half hours of feasting. That of Don Enrique contains a point that deserves to be recorded:

Some persons have described as colossal the work of the Arequipa Railway. It is that. But in the midst of the pleasures of scientific triumph no one has thought of what it cost. I do not speak of money; I speak of the blood and the lives poured out by hundreds of Chileans, Peruvians, Bolivians, Frenchmen, Irishmen, and even many Anglo-Americans who have died on the work.

Let us toast here in silence to the memory of those who died on

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fact that it has four hotels—one of which is an *Hotel de Paris*—a custom-house and a post-office.

"Besides the institutions before mentioned, I find here a theatrical company, holding performances on a temporary stage, fitted up in the yard of the railway premises. . . .

"Alongside the residence of Mr. Dubois is a pretty little chapel, erected by Mr. Meiggs for the use of the workmen here; and from the front of this house is an extensive view of the Pacific. At the time there were thirteen vessels at anchor in the roads, amongst which were some with materials for fifteen locomotives on board" (Thomas J. Hutchinson, *Two Years in Peru, etc.*, I, 75-77).

this work, in which you, gentleman, as much as I, had a part, though not such a one as those who sacrificed their lives in this task.<sup>4</sup>

"Sensation; hurrahs!"

None knew better than Don Enrique how to make the appeal to sentiment!

When the banquet was finished and the tables were cleared, a band broke into the strains of the "Belle Hélène" quadrille and a spirited dance was begun. It lasted until the need for rest after the two bad nights afloat obliged the party to seek repose.

Here again masterly improvisation was necessary. The Meiggs building, which must have been commodious, was transformed into a dormitory. There were beds with good mattresses, pillows, sheets, and (for the ladies) even mosquito bars. The men—ministers, diplomats, bishops, and other notables—were accommodated in the rooms off the corridors. Those of less rank had to be content with beds in the corridors themselves, which, by the use of awnings, had been transformed into a continuous salon. The ladies, in the interior part of the building, "were as if in their homes," while the servants took the remaining available floor space, and the troops (a guard of honor) slept in the open air—like good soldiers.

There is some confusion as to the dates among available accounts of this expedition. However, as the inaugural train made the run up to Arequipa on the thirty-first, it is certain that two nights and the intervening day were passed at Mollendo. It is possible that the banquet took place on the evening of the thirtieth. It is not, however, a point of great consequence.

One other ceremony was held at Mollendo, probably on the afternoon of the thirtieth. It was that of blessing the railway locomotives which were to serve the road. The act was performed with fitting gravity by the Bishop of Arequipa, Dr. Benedicto Torres, in the company of a number of other church dignitaries and high government and railway officials. Standing by an altar under a sheltering awning, the Bishop

<sup>4</sup> Antonio Urizar Garfias, *Inauguración del ferrocarril de Mollendo a Arequipa en 1871* (Lima, 1871), p. 14.

raised aloft the hyssop and the holy water and invoked the blessing of Providence on the mechanical horses. The engines at Mollendo were six in number—*El Conquistador* ("Conqueror"), *Mollendo*, *El Inca*, *Tambo*, *Mejía*, and *Arequipa*. Those not present to receive the blessing firsthand were the *Hija del Sol* ("Daughter of the Sun"), *Estrella* ("Star"), *Islay*, *Lima*, and *La Joya*. One by one the locomotives present were conducted past the Bishop, each being momentarily brought to a stop to receive its baptism of holy water, sprinkled by the Bishop with "venerable bliss."

Again there were speeches. The dean of the diplomatic corps, de la Cruz Benavente, made one in which he invoked the names of the revolutionary heroes, Bolívar, San Martín, and Sucre, to link them with those of Balta and Meiggs as men whose works had made Peru great.

The gentleman Henry Meiggs, that colossus of fortune and of credit, that contractor *without fear*, that worker who *does not know the impossible*, is the new *Atlante* who has placed Arequipa near the shores of the sea, as yesterday he put Santiago close to Valparaíso, as tomorrow he will place Puno, Cuzco, la Oroya, and perhaps even Potosí and my dear Sucre close to the breakers of the Pacific.

Cahuintala will immortalize his name, sirs. The way across these hills of stone which you are going to run with rapidity and comfort is the most eminent work among all the railways of the world. . . .

Honor and gratitude, sirs, to the magistrates who have known how to utilize in the undertaking the resources of this opulent country! Honor and gratitude for the courageous contractor who has brought it into being and for his skilful engineers!<sup>5</sup>

On the morning of the last day of the year there was at Mollendo a repetition on a smaller scale of the scene at Callao of four days previous. The cooks were awake at four o'clock, the inaugural party not much later, and by six those who were making the run to Arequipa had breakfasted and were congregating at the railway station. Five trains had been prepared to receive them, and all were crowding for their places. They were "an army without discipline, an assembly of impatient ones, a society in which the *I* predominated." But despite this

<sup>5</sup> *El Ferrocarril de Arequipa*, p. 188.

behavior, somewhat surprising in a group of this character, the trains were at length crowded with their complements of passengers and at six thirty o'clock the first, that of the President, took its departure on the inaugural run. The President's party were cheered by the picture presented by a car up front. Though it bore on its exterior the words "Second Class," a glance at its interior suggested first-class anticipations. A long table which ran the length of the coach was covered with a white cloth and garnished with flowers and fruit, and in shelves above were many bottles marked "Chateau Rose" and "Veuve Cliquot." The second train bore Meiggs and his party, while the other trains were filled by the remaining guests and the honor guard.

It is not difficult to imagine the lively interest with which the passengers observed every detail of the trip, from the train itself to the roadway and the country through which it passed. A great many of them probably had never been up to Arequipa. Because of the newness of the coaches, they even had the experience of having to pause while the trainmen greased and poured water on some hot boxes! They speculated on the possibility that at some future time another tidal wave might madly climb the short distance to the road as it ran southeastward for several miles near the shore and wash it away. They marveled at the tortuous and difficult course which the road pursued through Cahuintala canyon. Their interest was excited by the sight of workers' encampments, both actual and abandoned, which they passed. Many who had not before passed that way were awed by the vast expanse of the hot and arid mesa, bare except for the railway and the *médanos*, or sand dunes, which occur there in great number.<sup>6</sup>

These *médanos* had caused some trouble when the road was under construction, and they have since been the cause of expense and anxiety to those charged with keeping up the railway. They are formed by wind action and by the same force are kept in perpetual, though exceedingly slow, motion. Noth-

<sup>6</sup> "En las pampas peruanas no hay yerba, no hay ganado, no hay aves, ni mas individuo de la creación animal que el lagarto estirado en la arena calentándose al sol y la aguachadiza que vuela al parecer sin objeto y cuyo nido no han descubierto aun los que atraviesen el desierto" (*El Ferrocarril de Arequipa*, p. 211).



ing stops them in their gradual progress until the mountains are reached, and, oddly enough, their course is ever upward on the slope of the pampa. A Peruvian, impressed by it, has written of this strange phenomenon in these semipoetic phrases:

The *médano* is the inhabitant of the desert, a being which belongs to *animated* creation, ordered there to give signs of life in the midst of such desolation. . . . No one knows where the *médano* is born, nor the years of its life, nor the place in which its slow, but never interrupted, career is ended, because like the Wandering Jew it keeps going, forever going. . . .

The *médano* has the shape of a half moon, because the wind tends to heap up the sand in the center, combing the extremes; this form is preserved inalterable like that of the bastion of a fortress. . . . Thus it is that all the horns of the half moon are turned toward the same point; all the backs of these gnomes of the desert give toward the sea from whose bosom they issued and at which they will never turn to look, because return to the paternal house is forbidden since they abandon its lintel.<sup>7</sup>

Across this desert waste, up through Huasamayo canyon—shorter but almost as difficult as the Cahuintala—and along the road beyond, the trains pursued their slow course (eleven hours for the run) to their objective—Arequipa. A pause for lunch was made at Cachendo; again it was provided by Don Enrique. At every station there was a halt to permit the inhabitants of the region to see their President, to cheer him and, perhaps, to kiss his hand. That gentleman was condescending and affable. He inquired concerning the condition of the people, made promises to correct evils of which complaint was made, and everywhere distributed “with profusion” silver commemorative coins. These pieces were of about the dimensions of a quarter, United States money. They bore on the obverse the inscription, “*Ferrocarril de Arequipa á Mollendo*” (“Railway from Arequipa to Mollendo”), with the representation of a train, and on the reverse, “*Decretado el 30 de Abril de 1868. —Inauguróse en 1° de Enero de 1871*” (“Decreed April 30, 1868.—It was inaugurated on January 1, 1871”).<sup>8</sup>

<sup>7</sup> *Ibid.*, pp. 212-213.

<sup>8</sup> Garfías, *op. cit.*, p. 34. The author possesses a specimen.

J. B. Hill, the superintendent, made the run on the presidential train. He was kept busy satisfying as best he could the curiosity of the President and his guests concerning the things they saw—engineering problems, construction costs, the life of the workmen on the job. He revealed such interesting facts as that, because of the scarcity of water and the high cost of providing it, there were times when whole *faenas* of peons passed as much as two months without once washing their faces! He also had some things to say concerning the difficulty of maintaining order in the encampments.

While the inaugural trains were bearing their eminent cargo upward through canyons and across deserts, excited movement and keen anticipation held sway in the city toward which they were winding their way. The long-awaited day had arrived; the city had an important role to play and must do justice to it. What lively discussion must have been had in the meetings of committees for entertainment, on decoration, on program! Merely to lodge the expected guests for the eight days of their visit was a considerable problem. There was, quite possibly, jealous rivalry among leading families to secure the honor of caring for the more eminent of the visitors, for the hotels could not be expected to accommodate all. The city's resources were taxed to dress the streets in gala raiment. They were bedecked with varicolored flags, ribbons, and bunting, and with paper cut in fancy designs. Several were spanned by arches, more or less imposing. Particular attention had been given to the precincts of the railway station and the streets which led upward from it into the plaza at the heart of the city, a half mile distant. Near the village of Tingo, some distance from the station, an arch twenty yards wide had been built across the railroad. It bore the names "Canseco, Balta, Meiggs." Perhaps the builders had been somewhat daring in placing the name of Canseco before that of Balta. But, after all, he was one of Arequipa's leading citizens, and it was he who as president had decreed the building of the railway.

In the center of the station an extensive covered platform had been erected. From either side steps led upward to the

floor. It was adorned with the national colors and, above, with the flags of the several American nations.

At two o'clock the governmental authorities, civil corporations, and the Ecclesiastical Council and other clergy came together at the station. By that time thousands of the commonalty had gathered in the vicinity, and as time passed came other thousands. And there they waited for three hours the coming of the trains, milling about, straining their eyes far down the track toward the hills in the south to glimpse a puff of smoke, or straining their ears to catch a blast of the whistle which would foretell their approach. The longed-for puff of smoke was descried at five o'clock. Here let *La Bolsa*, an Arequipa paper, speak:

Then the agitation is indescribable, as if a violent fever should have seized at the same instant that prodigious number of spectators. An indefinable, suppressed murmur fills the air, echoes everywhere without coming from anyone; it could be thought that it was the soul of a people which, like a mysterious bird, was circling about in that lucid atmosphere and that the magic echo was the sound made by its impalpable wings.

The black columns, meanwhile, came on, now entirely visible, now lost among the trees: for a few moments, it seemed, they slowed up their advance in order to come closer to each other; but at last, in the midst of so much inquietude and of the unparalleled agitation of that huge mass of spectators which already formed an impenetrable wall along both sides of the road, they were seen to take airily the curve which the road describes near the bridge situated a few squares from the station.

A single voice came then from that vast and crowded throng, a voice which drowned out the whistles of the locomotives that already were presenting themselves at the gates of the station, and among the immense hubbub, the hurrahs, the shouts, the backthumpings, and a thousand other demonstrations of an indescribable jubilation, the locomotives entered the place while the notes of the national hymn were executed by the military band located in the first coach, which was occupied by His Excellency's escort.<sup>9</sup>

With the sounds of these frantic demonstrations ringing in his ears, the President descended from the train and eventually

<sup>9</sup> Jan. 2, 1871 (quoted in *El Ferrocarril de Arequipa*, pp. 232-233).

got himself established, along with high officials and diplomats, on the speakers' platform. There he heard the prefect of the department make an address of welcome in which the railway was called "a present from heaven to compensate for the sufferings of the past." God, Balta, and Meiggs each received his tribute of grateful thanks. This address terminated, the official group transferred themselves from the platform to the point where the railroad ended. The last rail had not been placed. Workers now brought forward a gilded rail and laid it in position, then handed to the President the hammer—golden also, no doubt—with which he was to complete the work "of eternal memory."

This was Don Enrique's cue. He came forward and made the longest and perhaps the most impressive address of all these days of celebration. The vein of achievement and hope in which he spoke may be illustrated by a single paragraph:

The magnitude of the work, the choice of the route which served for its construction, the aridity and the unevenness of the region through which it runs, the absolute lack of resources consequent to a new country since it lacks everything from workers to the water which must be supplied them were for me, instead of obstacles, so many stimuli to accomplish such a serious work; because I had the intimate conviction that what was necessary to conquer everything was peace; peace, and a very profound peace, which would not be altered when the country should see itself that its riches were being applied usefully for the realization of works so colossal and so advantageous as that just finished and those which are still under construction.<sup>10</sup>

Toward the end of his address, he handed to the President the spike which he was to drive home, describing it and the hammer as symbols of industry, then declared:

Be certain, most excellent sir, that in placing the last rail, at the first stroke which affirms it, the civilized nations will look upon you as the collaborator of Newton, Fulton, and Humboldt in science, and that the history of the fatherland will open to you its pages alongside those which Bolívar and San Martín occupy, because the steam and the iron with which you are endowing your country affirm also the liberty and the independence of nations.

<sup>10</sup> *Ibid.*, p. 238.



After Don Enrique had handed to His Excellency the golden spike, he was replaced by Colonel Santa María, Minister of Government, Police, and Public Works, who likewise made an address, though a very brief one.

On its conclusion, the President, clutching the hammer and the spike, gazed about him until quiet was gained and then made the last and briefest address. (One is reminded of González Prada's statement that "Nature had denied him eloquence and verbosity.") When he had concluded, applying the hammer to the spike, he finished the arduous task of building the road. While he was recovering breath, he received at the hands of Colonel Diego Masías a gold medal presented by the city of Arequipa.

Thus the Arequipa Railway was now both completed and inaugurated. And on December 31, though the commemorative coins bear the date January 1.

The festivities, however, were by no means ended. In fact, they may be said at that point to have been but well begun. The party remained until the morning of January 8 below the glittering peak of El Misti, and the days were crowded with activity. On New Year's Day a *Te Deum* was sung in the cathedral, and later many congratulatory calls were made on the President and exchanged among the members of the party and the *Arequipeños*. On the second the President visited the scene of work on the Arequipa-Puno Railway, which had already been under construction for some six months. He also visited many nunneries and monasteries and other places of interest. On the evening of that day, Don Enrique entertained with a grand ball and supper. More presidential visits filled the third. On the fourth the President gave a grand dinner, the party afterward repairing to the local theater, where addresses and commemorative poems were heard. On the fifth the Chilean delegation, headed by Minister Adolfo Ibáñez, made a call on the President to felicitate him and the country on the great developments that were in progress. They seized the opportunity to make allusion to the labor that Chileans had performed on the railway and thus to claim some credit for the accomplishment. (At the time, Ibáñez was investi-

gating the condition of his fellow-citizens in the country, and he used very shortly the facts which he uncovered while he was at Arequipa to make to his government a scathing report on the abuses which they were suffering in Peru.)<sup>11</sup> Quite opportunely, the birthday of President Balta's wife fell on January 6. That event was made the occasion for another dinner and ball, tendered her by the Society of Arequipa. At various times during the period, presentation of medals was made to Don Enrique, one by the youth of Arequipa, another by the engineers who had built the road. Details of these and many other activities will be omitted, except in the case of the grand ball and supper with which Don Enrique crowned his personal performance during these days.

The invitations which the fortunate ones had received ran—

Dolores A. de Harmsen has the honor to invite you in the name of Sr. D. Enrique Meiggs, to the ball which this gentleman will give on the night of January 2 next, to celebrate the completion of the line from Arequipa to the coast.

December 17, 1870.

Colegio de Ejercicios.

The first patio of the school building named in the invitation had been chosen as the principal salon for the dance. This patio was given a board floor and was covered over with an awning so decorated as to simulate a blue sky studded with stars. The corridors round about were supplied with "elegant and comfortable seats." Seats were also placed to encircle a column in the center of the salon. The walls and columns about the patio were adorned in the usual fashion with the flags of different nations and with banners formed of natural and artificial flowers. On a balcony which had been constructed above the entrance to the patio were placed two bands, one from Lima and the other from the frigate *Independencia*. Hanging from the front of the musician's gallery was a paint-

<sup>11</sup> Jan. 19, 1871 (MSS, Archivo Nacional de Chile, Agentes de Chile en el Perú, 1871, XVIII).

ing which represented a locomotive steaming through valleys and mountains. Several near-by rooms were converted into dressing rooms for ladies and for gentlemen, and others served as bar and supper rooms.

As a prelude to the ball, Meiggs gave a dinner to forty-seven male guests. The guest list includes the names of ex-President Diez Canseco and ex-Minister Polar, both penciled in as if the result of an afterthought.<sup>12</sup>

The "select and numerous" personages invited to the ball began to arrive at ten o'clock, and by eleven thirty the entire place was crowded. At that hour the grand march was begun and, following it, the crowd drifted into a program dance that included eighteen numbers—quadrilles, waltzes, polkas, mazurkas, and galops.

Among the limited number of guests whom the reporter of *El Nacional* (Lima) singled out for special mention appear the names of the *señoritas* María and Mercedes Canseco, daughters of the ex-president. "Modest by character, gracious by nature, agreeable by education and fine manners," they were thought worthy of figuring "among the first young ladies of the best organized society." Others were the Misses Mary G. Meiggs, daughter of John G., and Fannie K. Meiggs, daughter of Don Enrique. "Charming and elegant like the others, they made themselves notable by their good taste in adornment and the majesty of their carriage."

About two o'clock the ladies passed to the supper room, to which they were attended "with the most exquisite gallantry" by the gentlemen of the party. Since the room was not sufficiently large to accommodate all at the same moment, a second and a third series were served. A reporter asserted that in order "to take for granted that everything was surpassing," it was enough to say that the entertainment was paid for by Meiggs.

<sup>12</sup> Meiggs Papers, list of those invited to the dinner and the ball. The guest list fills six pages of two large folders, many items including a whole family of several members.

The supper menu is a thing of wonder. Here it is in the original language and in all of its formidable length:

Baile  
 dado por  
 ENRIQUE MEIGGS  
 en  
*Celebridad de la Inauguración*  
 del  
*FERROCARRIL DE MOLLENDÓ A AREQUIPA*  
 Arequipa, Enero 2 de 1871

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*Menu de la Cena*

SOPAS

A la Reina—A la Consomé

HORS-D'OEUVRES SURTIDAS

Mayonesa de corbina.—Jamones decorados á la Moderna.—Galatina de pavo real á la Orleans.—Pasteles de aves en costras.—Chanchitos de leche á la Chévry.—Pirámides de camarones.—Queso de chanco en Bella-Vista.—Lomitos á la Jardinera.—Lenguas á la Imperial.—Ensaladas de gallinas á la Turca.—Cabritos rellenos á la Criolla.—Patos á la Inglesa.—Pavos rellenos á la Périgord.—Pollas de Buissons.—Ganzos rellenos á la Francesa.—Roast-beef glacé.—Sandwiches.—Salchichón de Lyon.

PIEZAS MONTADAS

Macedoine de frutas.—Queso Bavaois.—Crema á la Inglesa.—Puding Diplomático.—Pastelitos.—Confites.—Cañastas de frutas.—Queso.

HELADOS

Punch á la Romana.—Sorbetes.—Imperiales á la vainilla.—Naranjas.—Frutillas.—Piña.—Limonada.—Café.

VINOS Y LICORES

Burdeos finos.—Sauterne.—Rhin.—Oporto.—Jérez.—Champaña.—Cerveza.—Coñac.—Kirsch.—Pisco.—Curazao.—Italia.—Anicete de Burdeos.—Marrasquino de Turin.

Café Anglais, Mercaderes, Lima.<sup>13</sup>

<sup>13</sup> *El Ferrocarril de Arequipa*, p. 327.



The festivities continued until six thirty. At that hour the weary celebrants returned to their respective homes or stopping places as "Old Sol"—god of the Incas and name-giver of the Peruvian dollar—raised his face once more above El Misti. One cannot challenge the declaration of a participant that this had undoubtedly been "one of the greatest entertainments" which in these days had formed "the diversion of Arequipa."

The celebration at Arequipa was no exception to the truism that all things must have an end. In this case the end came with the departure on the morning of January 8 of the eminent guests who had been for eight days the recipients of the best hospitality that the city could afford. Despite the early hour—seven o'clock—at which the President's train drew away from the station, the city was out in numbers to give him a good *despedida*. Balta issued a proclamation expressing his appreciation and his thanks for the attentions received, shook hands with and embraced many personal friends, allowed his hand to be kissed by many of the humbler, and was off for Mollendo. The return trip was made in six hours. Very soon after arrival the party boarded their boats and sailed for Callao. The *Chalaco* reached the home port at nine o'clock on the morning of the tenth. Though the chroniclers are silent concerning the arrival of the *Panamá*, it must have put in at Callao little, if any, later than the *Chalaco*.

In the course of the return trip, the passengers aboard the *Panamá* drew up a letter to Captain Grierson, expressing their appreciation of his manifold attentions. It may be considered as constituting, with perhaps very few omissions, Don Enrique's guest list. Attention is called to the large number of individuals of nationality other than Peruvian. These signatures were appended to the letter:

Mary A. Meiggs, Effie F. Bush, Sarah F. Ewen, Carolina A. Whiting, Lillie F. Keith, Charlotte Gowan, Fannie K. Meiggs, Lizzie Wood, Manuela N. Thorne, María T. Tudela, Isabel M. Evans, Mary C. Backus, Sarah F. Wood, Alice C. Gallagher, Mercedes U. de Sartori, Leonor S. de F. Pinto, G. Elster, Conde de Monclair, Warren Evans, R. R. Brown, John Gallagher, H. M. Brent, Juan G. Meiggs, Jacob Backus, Gerónimo Tate, E. W. Sartori, Russell Keith, Norman

Evans, J. J. Rowe, José F. Canevaro, J. M. Cantarias, Gmo. Pfeiffer, G. Cebada, G. G. Bedeker, T. Goin, C. Thorne, Jorge Johnston, Rollin Thorne, A. U. Garfias, C. F. Davis, D. M. R. Meiggs, R. Lama, W. F. Whiting, A. P. Gallagher, C. Pérez, J. Cortez, C. Salinas, J. P. Lanfranco, E. Malinowski, A. Bohl, John Stevenson, G. Middendorf, E. P. Figueroa, L. Ballen, A. J. Donayre, V. R. Benavides, J. de T. Pinto, C. deGard, W. Lewis, A. D. Osborne, G. S. Backus, Enrique Meiggs, César Rivero.<sup>14</sup>

While the *Panamá* was breasting the swell on its run up the coast, the idea was born among some of its passengers of giving Meiggs "an object of art" as a souvenir of the trip and the inauguration of his railway. The suggestion was received with general acclaim. At once \$5,000 were pledged to begin a subscription, and a committee was named to carry the project into effect. It consisted of Juan de la Cruz Benavente, chairman, Canevaro, Malinowski, Elster, and Leonidas Ballen, secretary.<sup>15</sup>

The committee acted with such dispatch that "the work of art" was designed, executed, and presented within six months. Under date of July 28, 1871, *El Mercurio*, of Santiago, carried a statement concerning it which was copied from a Lima periodical. The Chilean paper, with a degree of sarcasm, quoted a detailed description of the souvenir. Strangely and wonderfully made, it is an excellent example of the taste of the period—a taste, let it be said, not by any means confined to Peru alone:

It consists of a center piece which is three and a half feet high and weighs nearly eight hundred ounces of silver, worked with such exquisite taste and attention to detail that it seems more a jeweler's work. The figures at the corners are *peones* with the characteristic *poncho* and headgear of the Peruvian laborer (but of Chilean nationality) [adds the *Mercurio*], and are leaning on their implements of labor in an attitude of abandon peculiar to their character. The first quarter of the base bears in monogram the initials of Mr. Meiggs: on the next is seen in bas-relief the distant volcano of Arequipa, with a party of surveyors in the foreground; on the next quarter there is a

<sup>14</sup> Garfias, *op. cit.*, pp. 130-132.

<sup>15</sup> *Ibid.*, p. 132.



MEMORIAL PRESENTED MEIGGS FOLLOWING THE INAUGURATION  
OF THE AREQUIPA RAILWAY  
(Courtesy Pan American Union)





locomotive which is passing beneath a rainbow, and the fourth quarter contains a dedicatory inscription.

Eight hanging shields contain the names of the donors [there are fifty-six]; over this four-sided base rise four terminal cupids as caryatids, with an adornment of foliage and branches of acanthus which sustain an octagonal center, and at the extremity of the branches eight golden cups or small plates. Four of the faces of that octagon are covered with branches of foliage and fruit which are falling down from the cornucopias, and the other four with groups of bows and quivers filled with arrows; over this are four maces, emblem of authority, and crowns of laurel alternating with four cornucopias, pouring out tropical and Peruvian fruit; above this a globe and a rising sun, symbol and emblem of Peru. The whole is crowned with a beautiful and exquisite figure which represents the Genius of Peru, holding in its left hand the winged wheel of progress, and in its right a rudder, symbol of intelligence.

The rich effect of rays of light, draperies, mouldings and others are produced in silver by means of burnished luster, brilliant polish, medium polish, and different grades of oxidation. One of the peculiarities of that work which contributes to giving it a magnificent high light is seen principally in the golden fruits of the cornucopias, draperies, and foliage, and consists of different gildings which have been lavished in eight different tints.<sup>16</sup>

The capstone of a grandiose celebration, it was indeed a fitting testimonial—also, perhaps, an excellent *hors d'oeuvres* service!

But let us return to the inaugural celebration. There remains but one incident to chronicle. On the evening of the day after the return to Lima, all those who had been Don Enrique's guests for the Arequipa jaunt called at the home of the host to express their thanks for the splendid attentions which he had lavished upon them. The omnipresent Benavente, speaker par excellence, made an eloquent brief address on behalf of the callers. Meiggs, never at a loss, replied appropriately. Then, the amenities taken care of, everyone unbent and an animated dance ensued. It lasted until three in the morning. At that hour, miraculously (or had someone

<sup>16</sup> This "object of art" is now in the Pan American Union building at Washington, where it was deposited in 1925 by Minor C. Keith, nephew of Henry Meiggs.

whispered?), Don Enrique found on his "emergency shelf" the requisite materials for serving to his guests a superb *ambigú*, or collation.<sup>17</sup>

And with this supper was ended the celebration of the completion of the Arequipa Railway.

The lavish scale on which the entire celebration was executed was certainly remarkable, especially as concerned Meiggs's part—a part which was nearly all-embracing. It has been said that the dinner alone cost him \$200,000 and "rivalled Nebuchadnezzar's."<sup>18</sup> This statement is without doubt a tremendous exaggeration, though the affair must have cost Meiggs a pretty penny. The entire celebration may have cost him close to that amount. But its magnificence was in entire consonance with Don Enrique's character. Whatever he did must be big, impressive, lavish. There is still extant in Peru the tradition that the feminine guests on the *Panamá* were furnished champagne for their baths! It is probable that this is merely a tradition, but its existence is proof that Meiggs's lavish entertainment created a decided sensation—which was just what he desired.

Almost as remarkable as this lavishness is the fact that so minor a part—almost *no* part, in truth—was played in the celebration by two of Arequipa's most prominent citizens, former President and General Pedro Diez Canseco and former Minister of State Dr. Juan Manuel Polar. After all, these men had been the highest officials of the nation when the railway was decreed and the contract for its execution made with Meiggs. And building operations were actively under way when they retired from office. The *Arequipeños* did, indeed, dare to display Diez Canseco's name in the city's decorations, but nowhere is there a record of his having made a speech. And so many were made! It seems that the sole prominent appearance which he and his chief minister made was when they ate of Don Enrique's dinner on the evening of January 2, and there is reason for believing that even there their inclusion

<sup>17</sup> Garfias, *op. cit.*, pp. 135-136.

<sup>18</sup> *New York Daily Witness*, Oct. 18, 1877, quoted in Henry B. Meigs, *Record of the Descendants of Vincent Meigs, etc.*, p. 277. See also Chas. A. Wetmore, "Harry Meiggs—Peru," *Overland Monthly*, VII (Aug., 1871), 175-182.

was the result of an afterthought. Meiggs, several days after the official invitations were out, wrote Diez Canseco a personal letter in which he invited him to the dinner and the ball. In it he took occasion to felicitate him on the fact that he had decreed the road the completion of which was to be celebrated. Meiggs signed himself "your very true friend."<sup>19</sup> The scant attention given the men who initiated the railway was probably due in greatest part to President Balta's desire to garner all the glory for himself. Too, it might have been in part because of criticisms and suspicions of the manner in which the contract was let. About the whole affair there was an odor which was decidedly not one of sanctity.

In the light of subsequent history it cannot be said that the President's visit to Arequipa cemented perfectly that city's loyalty to the national government. It was a dramatic gesture, however, and the festivities which accompanied it, if they did nothing else, prevented the *Arequipeños* for a time from brooding over the misfortunes consequent to the fairly recent earthquake. When the participants in the affair returned to Lima, they no doubt sincerely believed that they had been present at the inauguration of a work that would have immediate and vastly beneficial effects for the well-being of the nation. No argument less strong than that of Time could demonstrate to them the magnitude of their error.<sup>20</sup>

<sup>19</sup> Dec. 25, 1870 (facsimile in Diez Canseco, *Para la Historia Patria*, after p. 52).

<sup>20</sup> The substance of this chapter was published in Spanish in the *Revista Chilena de Historia y Geografía*, CIV (Enero-Junio, 1944), 264-288.

## VIII

### BUILDING THE OROYA RAILWAY: TERRAIN AND TOILERS

"UP THE HILL they call it; the most effective understatement I know." These words were used by Christopher Morley when writing of an ascent of the Andes by the Oroya—now called officially the Central Trans-Andean—Railway. Mr. Morley guesses that the expression was coined by Henry Meiggs, and remarks: "They tell me he was an eccentric, whatever that means. At any rate he was one of the world's great poets, and built a rhyme loftier than Lycidas."<sup>1</sup>

One need not quarrel with poetic license. It may truthfully be said, however, that "Meiggs the Poet" neither conceived the idea of the poem nor wrote all of its stanzas, yet he did establish the meter. The idea of a railway which should unite the coast and Lima with Oroya and Jauja atop the Andes had been seriously discussed in Peru since the 1850's, as already noted. An explanation of the delay in beginning the task until Meiggs's arrival is found in the observations of the Peruvian historian, Pedro Dávalos y Lissón, on the psychology of his countrymen. They possess, he says, superior qualities of initiative. They discuss and plan well, but they execute poorly or not at all. They are imaginative and idealistic. No one is satisfied with the merely good: he aspires to the superior. "And as there is neither economic nor moral force to achieve the difficult and the extraordinary, projects are left half done." He who triumphs in discussion, declares Dávalos y Lissón, is not the one who has the best ideas or the most manifest common sense, but the one who talks most and appears most cultured. Peruvians are weak in will power. Hence patience,

<sup>1</sup> *Hasta la Vista* (Garden City, 1935), p. 202.



method, and perseverance are not common among them. A railway plan which would require twenty-five years for completion could not gain the interest of the masses. "No one wants to wait. In this respect we live for today and we live badly."<sup>2</sup> Internal and external political difficulties were other causes of the delay.

The Callao-Oroya Railway had been conceived, and the route which it was to follow when at length it was built had actually been surveyed, by a foreign engineer before Meiggs went to Peru. But Don Enrique's drive—"the Yankee go-ahead"—was necessary to start the process of execution. Many apocryphal stories are extant in Peru concerning the daring contractor's determination to let nothing stop him. According to one of them, a young graduate engineer, working on a hard section of this road, protested, "Why, Mr. Meiggs, we can't run a railroad along there in that sliding shale!" To which Don Enrique replied, "Can't eh? Well, young man, that's just where she's got to go, and if you can't find room for her on the ground, we'll hang her from balloons." Another has it that Meiggs once boasted to the Peruvian cabinet, "Anywhere the llama goes, I can take a train."

It is an undoubted fact that few, if any, railroads have been built through terrain more stubborn than that which is traversed by the Oroya Railway—the valley and gorge of the Rímac River. From time immemorial a trail had wound up the course of this rushing stream to bring the traveler at last to the Andean tableland where now are situated La Oroya, Huancayo, Ayacucho, Jauja, the world-famous mining town of Cerro de Pasco, and other places of less importance. But the journey was one that demanded both time and courage and was not, therefore, to be lightly undertaken. In 1867 a Chilean, one Manuel Concha, made the trip on a mule from Lima to La Oroya and Jauja, reaching the former place in the space of six days. Later he wrote an account of his journey. Some of his statements are enlightening concerning the difficulties which the railroad builders were to encounter three years later. He declared that the trail, in addition to being excessively

<sup>2</sup> *La Primera Centuria*, II, 382-383.

prolonged, was "dangerous in many parts, impassable in some, and infernal in its whole extension." His account, in part, continues:

From Chaclacallo . . . the valley, made fertile by the Rímac, begins to become narrower little by little, until it comes to present, in the remainder of its extent, the aspect of a true ravine, in which are seen as far as Surco small cotton farms, lost and abandoned in great part.

From the *hacienda* called Chosica, not very far from Chaclacallo, there began to spread before our eyes a theatrical scene with an aspect of savage grandeur, if one may so speak. We began to see high mountains stripped of vegetation which extended in parallel lines on either side of the narrow valley, and because of which we were obliged to advance almost always along the edge by a narrow road comparable to the cornice of a house, with a vertical abyss at one side and in the bottom of the abyss the river majestically dashing itself to pieces among great boulders with a noise like that of an agitated sea. . . .

The capricious zigzag of this route placed us repeatedly in situations in which, however indifferent we might have been, we were unable to refrain from contemplating them filled with admiration, for that which surrounded us was awe-inspiring. . . .

All this has an aspect desolate, wild and sad, but sublime and impressive. One sound only is heard: the fall of the river which tears itself to pieces at a great depth among gigantic rocks loosened from the mountains by some volcanic shudder, in which are seen, in the form of niches, the places which they occupied in another epoch.

The solitude is absolute, and not even the daring condor, king and lord of the Andes, is seen. . . .

Sometimes we saw ourselves obliged to clamber up a stairway a meter broad and of unequal treads, whose ascent, in addition to being dangerous was difficult, and our life depended on a false step of the mule, for such is the mount which the road requires. This is the pass called *Infiernillo* [Little Hell], whose stairway is flecked marble. At other times we advanced by paths even narrower still, keeping always the abysmal precipice at one side and the towering and perpendicular mountain at the other.<sup>3</sup>

The gorge of the Rímac must be seen in order truly to appreciate its wild and formidable character. No description, however vivid, can give the reader a clear conception of the

<sup>3</sup> Quoted by Dávalos y Lissón, *op. cit.*, II, 344-348.

obstacles which had to be overcome in building a railroad there.

The inaugural ceremonies enacted at Lima on January 1, 1870, marked the beginning of the task of building the railway which now climbs this deep gorge of the Rímac, crosses the high Andean crest, and descends to La Oroya beyond. The somewhat theatrical character of those ceremonies seems less exaggerated when one appreciates the great difficulties of the task which Meiggs had contracted to perform. ]

The total length of the road from Callao to La Oroya is 222 kilometers, or about 138 miles. With respect to the nature of the terrain which it traverses the road may be broken into three main divisions: (1) Callao-Chosica, about 33 miles; (2) Chosica-Ticlio, 73 miles; (3) Ticlio-La Oroya, 32 miles. The first section presented few problems: the grade is gradual and the valley broad until Chosica is approached. The second section was that of greatest difficulty. Not far above Chosica the route enters the narrow corridor at the bottom of which the river flows, and one proceeds upward between stone walls the greater part of the distance from there to the crest at Ticlio, where the elevation is almost 16,000 feet. By far the greater number of bridges, tunnels, and zigzags is found in this section. The third section, though much less difficult than the second, was still harder to handle than the first. Immediately beyond Ticlio is the opening of the Galera tunnel, which, passing below the summit of Mt. Meiggs (christened, of course, for Don Enrique), measures 3,849 feet. While the abrupt descent toward La Oroya required several V's or zigzags, still the terrain is much less wild than the gorge of the Rímac.

The precipitous, sometimes vertical, cliffs of the Rímac made it impossible in many places for the engineers to trace the line on the surface. Initially, a survey and a level line were run up the canyon and a topographical map was carefully constructed, on which the general course of the line was projected. The slope of the canyon walls, rising ordinarily forty-five to seventy-five degrees with the horizon, made it necessary to resort to triangulation in a great many places in order to

"carry the line" past insurmountable obstacles. In a number of cases it was necessary to make a station in the face of the cliff at a point which could be reached only by lowering the engineer over the face of the precipice by a rope. Days, even weeks, were sometimes spent in blasting out a "footing" for such a station, and in constructing in the face of the cliff a road by which it could be reached. The chief engineer of the road was the Pole, Ernesto Malinowski. However, more than half the route (Matucana to La Oroya) was surveyed and located under the direction of Martin Van Brocklin, who, a few years later, became the chief engineer of the Metropolitan Elevated Railroad in New York City.

The route was so uncertain that no less than fifteen miles had to be located ahead of construction, lest an obstruction be met with that would make necessary a new location, beginning many miles back on the line. One section which included three tunnels was so inaccessible that no point of the line could be reached directly. It was all located by triangulation. And, before work could be commenced or even a point given for commencing, a mule road had to be constructed to get on the ground. These preliminary roads, it is worth remarking, were in themselves expensive to build. In some places they were no more than ladder-ways bolted to the face of a cliff. An excellent instance of the engineering problems involved is presented by the *Infiernillo* bridge. At a place where the walls of the canyon rise perpendicularly to a height of from 1,000 to 1,500 feet the railway crosses, supported by a bridge which joins tunnels on opposite sides of the river. The track is more than a hundred feet above the surface of the river. Concerning this marvel of the road, a contemporary wrote: "Seen from the contracted valley beneath, a train of cars must appear to spring mysteriously and suddenly over the graceful little structure, and to disappear like a thing of will and might, burrowing through the very heart of the mountains."<sup>4</sup>

In the course of the 138 miles of this road are found 61 bridges with a total length of 1,832 meters and 65 tunnels with

<sup>4</sup> J. Eglinton Montgomery, "A Railroad in the Clouds," *Scribner's Monthly*, XIV (Aug., 1877), 456.





INFIERNILLO BRIDGE—OROYA RAILWAY  
(MIDDLE BRIDGE IS THAT OF THE RAILWAY)  
(Courtesy of the Grace Line)



a total length of 9,140 meters. Lack of room for curves made necessary twenty-one V's or simple switch-backs, and five zig-zags, or compound switch-backs.<sup>5</sup> (A consequence of the feature last mentioned is that the passenger, during much of the run, scarcely knows whether he is advancing or going backward, the engine being now at the front, now at the rear, of the train.) Work on the tunnels was carried on simultaneously from either end or, sometimes, from rifts run in at intermediate points located by triangulation on the face of the cliff. Nowhere was there an error in alignment of more than a few inches—which at that time was considered extraordinary accuracy.

The maximum grade permitted by the contract was 4 per cent, or 211 feet to the mile, on straight line; and 3 per cent, or 158 feet to the mile, on the maximum curvature of 120 meters radius. The fall in the Rímac considerably exceeds these limits; consequently greater length had to be obtained by running up lateral valleys and by zigzagging up the sides of the canyon. An extreme instance of the use of the zigzag is seen at Chicla, a village that lies in a slightly widened spot by the curve in the line which crosses and recrosses the river a short distance above it. On one side are two levels, a V joining them at the railway-station; and on the other are three levels where the road zigzags upward—or downward, according to the point of view.

It must be borne in mind that this country is entirely barren and treeless except for the limited portion which is irrigable. It may be considered quite treeless as far as railway-building operations are concerned. Supplies of every kind had to be packed in on mules or llamas a distance of one to fifty miles, or even farther, over the mountain paths or roads which have been described. Not only did every stick of timber, every pound of iron, tools, provisions, coal, grain, and fodder which were required have to be carried on the backs of animals over these inadequate trails, but many of these supplies had to be brought from foreign countries. From six hundred

<sup>5</sup> Federico Costa-Laurent, *El Ferrocarril a Huancavelica, etc.* (Lima, 1927), p. 13.

to eight hundred pack-mules were in constant use. It may be remarked that the tunnel at the summit was under construction during a great deal of the time required for building the road upward to it. Since the tunnel was not finished until the latter part of 1875, for three or four years it was necessary to carry up to this great elevation on pack animals all the materials necessary to the work and the sustenance of the large corps of workmen who executed it.<sup>6</sup>

As was the case with all the roads which Meiggs built in Peru, the materials for construction and operation came almost entirely from abroad. This statement holds true also for the food supplies for the laborers and the animals. The grain and provisions were brought principally from Chile and California. The iron and coal came from England. Iron bridges were at first brought from England and France, but later from the United States. American bridges came to be preferred chiefly because of their better and simpler construction, pin connections taking the place of the riveted process of the products of European engineers. A letter which John G. wrote early in 1874 to a railway contractor in Chile reveals strong reasons for the preference for American bridge work:

I am in receipt of your favor of Nov. 28th and concerning French Bridges, I must say that for these countries, at any rate, they are a complete failure. They may perhaps stand well enough when once erected, but when I tell you that the French Contractors were engaged on the Oroya Road, three months and twenty four days putting up a single span lattice girder bridge fifty metres long, against three months and fifteen days occupied by our men on the Varrugas Viaduct 575 feet long 252 feet high highest pier on [of] three piers you can form an idea of the fearful cost of transportation caused by such delays, amounting on this Road to more than the value of the Bridge. The plan followed by some of the French Contractors is to make a contract for a given sum for a bridge erected, including everything. My experience is that they cannot be kept up to their work, that they will not employ any but their own imported men and that one of their systems, namely

<sup>6</sup> Many of the facts, not otherwise credited, which are embodied in the foregoing paragraphs were gleaned from an article on the Oroya road which was published in *The Engineering and Mining Journal* (New York), Dec. 21, 1878, pp. 435-436. Several charts and pictures illustrate the article.



that of building a bridge and launching it whole, is defective, as tending to strain the structure in its weakest points.

. . . I have been still more unfortunate in my experience with English Bridges, two of which failed, miserably, it appears to me, on the Pacasmayo Road, so after all these trials, I have returned entirely to the American market for all Bridges, unless perhaps 10 or 20 feet girders.

In this connection, the following comparison of costs between an English Lattice Girder Bridge which utterly broke down, becoming a complete wreck, and an American Triangular Truss sent for to replace it. The former—Cost at port of discharge, Pacasmayo, S/.26,375.—Landing transportation & Erecting S/.7,122.—Total Weight 127 Tons—Time of putting up eight *weeks* besides the timber furnished here.

The American showed the following. Cost at Pacasmayo, including timber S/.18,419 Landing Transportation & Erection 1,150.00 Total weight 61 Tons. Time in putting up eight *days*. and is a perfect success. Comment is unnecessary.<sup>7</sup>

The machinery and plant necessary for construction operations came chiefly from England, but the rolling stock and shop machinery were purchased in the United States. The timber required in the tunnels, all that needed for houses, for bridges, for false works, and so on, was brought from California and Oregon. The ties came from Chile and California.<sup>8</sup>

The locomotives were without exception purchased in the United States. Of twenty-six placed in service on the line before the end of the year 1877, twenty-one were made by the Rogers Manufacturing Company, and the remaining five by Danforth.<sup>9</sup>

John G. Meiggs made his appearance at Lima coincidently with the beginning of work on the Oroya road, becoming general superintendent of the Meiggs projects. For a time a nephew, Henry Meiggs Keith, was superintendent of construction on the Oroya road.

<sup>7</sup> To John Slater (Concepción, Chile), Lima, Jan. 1, 1874 (Meiggs Papers, Letter Book 10, pp. 119-121).

<sup>8</sup> See article in *Engineering and Mining Journal*, referred to above, and letters in Meiggs Papers, e. g., Meiggs to E. S. Tibby (San Francisco), April 19, 1870 (Letter Book 1, p. 169).

<sup>9</sup> Costa-Laurent, *Reseña Histórica, etc.*, table of locomotives, between pp. 80 and 81.

At this time Henry Keith's brother, Minor C., was a lumber dealer in New York. A letter which his uncle, John G., wrote him from Lima in March, 1870, reveals the manner in which the family were working together. Apparently Minor C. had written concerning a sale of yellow pine. The uncle replied:

I fear our orders for Yellow Pine will always be small but all there shall be is *for you*. We will probably however require considerable of other kinds, and this you can purchase either in Albany or N. Y. and receive coms. of 5%, or make your bargain direct. The Att'y of Henry is Mr. Spinney through whom the business will go, but I shall always notify you when orders are given, so that you can be prepared—Hen is *Superintendent* of the Oroya Road, and will make a *good Pile*. Rupell will have a contract for Masonry with Mr. Chandler, and will also make plenty of cash. My intention is that *our family* shall all come in for the best of the business.<sup>10</sup>

Not long after Henry Keith left Peru for Costa Rica, in the fall of 1871, he was succeeded on the Oroya job by William H. Cilley, whom John G. had induced to come down from the United States. John G. had written Cilley at Tilton, New Hampshire, as early as January 11, 1870, just after he himself reached Lima; but for some time Cilley delayed acceding to the proposal made him.

For operations, the line was divided into seven sections. The work of preparing the ground proceeded more or less simultaneously on all. Superintendents of division, in order from Callao to Oroya, were Joseph Hinkle, one Ainsworth, Eulogio Delgado, W. G. Vogie, M. Felipe Paz Soldán, M. van Brocklin, and one Manning.<sup>11</sup> Many of the subordinate officials were Americans, or foreigners of some other nationality.

The problem of securing laborers for the Oroya road was similar to that which had been encountered in building the Arequipa road and, with variations, was solved in similar fashion. One account of the Oroya operations states that at times as many as ten thousand men were employed on the job.

<sup>10</sup> March 3 (Meiggs Papers, Letter Book 1, p. 73).

<sup>11</sup> Costa-Laurent, *El Ferrocarril a Huancavelica*, p. 10.

"Of these, rather more than half were Chinese, and the remainder Chillenos and natives."<sup>12</sup>

The conditions and the terms under which thousands of Chileans were brought to Peru and the problem of their management have been treated at some length in the story of the building of the Arequipa Railway. These laborers were as intelligent and active—and as belligerent and hard to control—on the Oroya as they had been on the Arequipa line.

Two considerable differences in the matter of laborers are observable in the building of the Oroya road as compared with the construction of the Arequipa road. One is the fact that a large proportion of the men were Chinese; the other, that in the high altitudes Peruvian Indians were employed almost exclusively. These *serranos* corresponded to the Bolivians of the Arequipa line, less accessible here because of distance.

There were a number of logical reasons for the use of Chinese on the Oroya and certain other of the roads which Meiggs built. The Chilean, while a good worker, had shown himself on the Arequipa road to be quarrelsome and hard to manage. The Chinese were not believed to be so. For some years past several thousand Chinese had been introduced annually into Peru to supplement the insufficient supply of native labor. Furthermore, thousands of these Celestials had assisted in the United States in successfully carrying the Central Pacific Railway eastward across the Rockies. They had been found, in both Peru and the United States, to be adequate and inexpensive laborers, if properly managed. Now that the Central Pacific was completed, large numbers of them were available for employment elsewhere, to say nothing of the inexhaustible reservoir in China.

In July, 1870, John G. Meiggs, writing to John Campbell, informed him that he was thinking seriously of sending for Chinese from California for use on the Oroya road.<sup>13</sup> A week later, writing to the same individual, he asked, "What do you think of Chinese for laborers?" He continued: "I am strongly of opinion that for railway work they are the best men we can

<sup>12</sup> *Engineering and Mining Journal*, article cited.

<sup>13</sup> Lima, July 4 (Meiggs Papers, Letter Book 1, pp. 372-373).

get. They are steady, never drunk [a statement that certainly could not have been made of the Chilean *rotos*] and although they may not be equal to Chileans in appearance, I am of opinion that in a year they will complete as much work as any body of men that we can obtain."<sup>14</sup>

In a letter of even date directed to John L. Thorndike, he posed the same question, and added: "I am thinking of *buying* a lot Their contracts as you are perhaps aware are for eight years at S/4 per month with clothing medical attendance &c. About 6000 will arrive during the next 8 months."<sup>15</sup>

Writing about the matter to J. B. Hill about the same time, he declared, "Henry don't seem to think much of them."<sup>16</sup> Shortly, the same writer asserted, "We will have Chinamen from California if they can be had."<sup>17</sup> But in October he wrote Campbell, "With reference to employing Chinamen, a new difficulty has arisen The President sent for Don Enrique and begged him for 'God's Sake' *not* to import them So at present we don't see exactly what is best."<sup>18</sup> However, the decision was finally made to use Chinese—a step made necessary by the illness and desertion of many of the Chileans. Late in 1871 a correspondent, writing from San Bartolomé on the Oroya line to a Peruvian paper, gave this information: "The experiment of Chinese labor is now being made, and from all that I can learn, it is believed that they will withstand the difficulty of a trying climate better than any other class of laborers. They are arriving by nearly every ship from China, and large and commodious houses are in process of construction for them along the line above *Surco*. Let the Chinese come."<sup>19</sup>

The Letter Books contain many subsequent allusions to the Chinese—their leases, contracts for "purchasing" entire cargoes when they arrived from Macao, rice for feeding them, proper treatment of them on the work. There is, for example, the letter of November 30, 1871, to Messrs. Candamo and Com-

<sup>14</sup> *Ibid.*, pp. 379-380.

<sup>15</sup> *Ibid.*, p. 382.

<sup>16</sup> July 20 (*ibid.*, pp. 403-404).

<sup>17</sup> To Campbell, July 26 (*ibid.*, p. 441).

<sup>18</sup> Oct. 1 (*ibid.*, p. 568).

<sup>19</sup> *Callao and Lima Gazette*, Dec. 7, 1871.



pany, of Lima, stating the conditions under which the ship *Clotilde* should bring for the *empresa* a cargo of coolies from Macao:

1. The ship on arrival should go to Callao or Paita (a port in northern Peru) for orders, then proceed immediately to Pacasmayo or Ferrol (ports of entry for roads which Meiggs was building in north central Peru).

2. The coolies must be debarked within forty-eight hours after they were brought to port.

3. The price to be paid for each coolie should be S/420 on the average—it being understood that none ill of contagious diseases would be accepted—to be paid in notes of four, six, and eight months, without interest, and dated from the arrival of the vessel in a Peruvian port.

4. If unforeseen circumstances should prevent the *Clotilde* from making the voyage to Macao, the contract was to be null.<sup>20</sup>

No statement other than the one previously referred to has been found relative to the number of Chinese used on the Meiggs enterprises. If some six thousand were used on the Oroya road, the total for all must have been considerably greater than this figure, for numbers of them were used on the Pacasmayo and Chimbote roads. It is not known what proportion of them, if any, were brought from California.

At the time when the first of the Chinese were "bought," a great deal of illness existed among the Chilean laborers on the Oroya line and difficulties were being experienced in handling them. Many were deserting. Moreover, criticism of Meiggs and the Peruvian authorities for their treatment of the Chileans filled the Chilean press.

It was the practice in Peru to import the coolies under an eight-year "contract," at a rate of pay of S/4 per month, plus food, shelter, clothing, and medical care. By the terms of the individual "contracts," the coolie was to be returned to China at the conclusion of his period of service. This is not the place for presenting a history of Chinese "immigration"

<sup>20</sup> Meiggs Papers, Letter Book 5, pp. 144-145.

to Peru, but it may be remarked in passing that if but a small part of what was charged in Peruvian newspapers and other publications concerning the treatment of the Chinese be true, their food, their clothing, and their shelter were of a decidedly inferior sort, as a rule, and their return passage was seldom paid by the original contractor or the later employer.

As to the treatment accorded "John Chinaman" by the Meiggs *empresa*, it was comparatively good if those who had direct charge of him on the works heeded the advice and directions of the general superintendent. John G. wrote to a subordinate on the Chimbote line: "*Food for Chinese* Do you give them bread, with their tea in the morning before going to work?—If not it should be done as we have found on this road [the Oroya] that they need a change of diet, and liberal food, and improve on it. I would like you to be very liberal to all who are, or may be sick in the Hospitals, giving them bread, tea, & coffee and in fact liberality will be found the best economy."<sup>21</sup>

Both Chileans and Chinese were found to be unsuited to heavy work at the high altitudes where much of the labor involved in building the Oroya road had to be performed. Here the best results were obtained by using Peruvian *serranos*, or Indian peons. John G. said of them that he considered two of them superior to three of such men as they had had about Lima.<sup>22</sup> There were, however, a number of disadvantages associated with their employment.

Among the Letter Books of the Meiggs Papers is one which bears the number "750." It contains the letter-press duplicates of the correspondence of the boss of one of the labor camps on the Oroya line. That boss was J. L. Wetmore, who has been mentioned previously as the man in whose favor were drawn the greater part of the warrants which "Honest Harry" Meiggs forged in San Francisco. It is an intriguing matter to find him, almost two decades later, serving Meiggs in the high fastnesses of the Andes. His crew was employed

<sup>21</sup> To A. A. Locke, Lima, Dec. 23, 1872 (*ibid.*, Letter Book 8, p. 239).

<sup>22</sup> To John Campbell (Arequipa), Lima, Oct. 1, 1870 (*ibid.*, Letter Book 1, p. 568).

in preparing the grade of the trans-summit section. Busy at Pachachaca, on the Yauli River, only fourteen miles from La Oroya, at the end of June, 1871, a year later he had moved upward to the village of Yauli, and by September of 1872 had established his headquarters at Visca, only a few miles east of the Galera tunnel site. The elevation of Pachachaca is slightly more than thirteen thousand feet, while that of Visca is about fifteen thousand. The last of Wetmore's letters is dated "Visca, January 21, 1873." His laborers were all Andean Indians. These few score letters of Wetmore present a fairly adequate picture of the problems associated with handling the Indian laborer. At the same time they suggest many of the other serious problems which had to be solved in the construction of the Oroya road.

No more effective means of presenting the essential facts of the day-by-day process of getting forward with the job can be found than that of quoting the more significant passages of a number of Wetmore's letters. Those here quoted from (with an exception or two the source of which will be indicated) are all to be found in Letter Book 750, the page being indicated by the numeral in parentheses after the name of the person to whom it is directed and the date when the letter was written. All are directed to Lima, unless otherwise indicated, and the place from which each is written is the same as that of the preceding letter unless another address is given. Wetmore's highly original grammar, orthography, and punctuation have, of course, been preserved. All the letters appear to have been written by his own hand:

To H. M. Keith, June 29, 1871 (9):

I received your note of 26th inst, in which you advise me to pay peones 80 cts [*centavo*, roughly equivalent to an American cent] per day if necessary, but I think I will be able to get along without as men are coming in by degrees there have arrived 20 more in the last two days, and [they] say more are on the way here—I think in 15 days more we will have plenty of men—

To Keith, July 14 (15):

I have not so many men as last week there being only 145 in all—

Nine of old contract men (38 in number) run away—No signs of Llamas as yet—Snowing all over the mountains—

To Keith, August 16 (27):

On the 10 inst. 192 Llamas from Jauja, 200 left there and 8 died on way. The Llamas left Jauja on the 2nd inst. I have given the following receipt for same—

115 good and serviceable

80 young Llamas which cannot be used for at least six months.

17 old and useless

There will be 100 in Jauja on the 30 inst. I shall go and see them myself and act accordingly, as to bring such useless animals here is very expensive and of no avail. I have spoken to Pacheco about them. he says that the party who sold him the Llamas has changed good for bad also that he advised you in Tarma [a town lying down east of Oroya] as to his incapacity to buy them.

E. S. Naters (for Wetmore ) to Keith, August 30 (33):

There are 280 men in all and more expected. As Mr. Wetmore sent Burgos last week to Jauja, Huancayo &c with Letters from the Prefect Bermudez and reports that the Authorities of the various Pueblos, have engaged to send men.

To J. G. Meiggs, September 26 (44):

[The writer mentions the fact that he has been provisioning his men—previously they had provided their own food] and all of the men seem well satisfied. All provisions bought I have turned over to Olavegoya with whom I contracted at 30 cts per head agreeing to receive all provisions at my hands at cost price. The food consists of 2 lb. a man. Namely, 1 lb. corn—and 1 lb. composed of meat, potatoes, rice, flour & Beans all stewed together. I have now 230 men, many having left on Saturday, and I hear there are 150 more on the way here, and I think that as soon as the news of my feeding gets into the Province, they will come along more willingly.

To Meiggs, October 4 (48):

I have only 200 laborers at present. the cause of which is that they keep going away on pretext of planting their corn, &c. A short time ago the pretext was the harvest, now it is the reverse.

The health of men very good, the feeding goes bravely on.



To Meiggs, November 29 (61):

[Asks for more powder]. When I was in I ordered 200 Bls. but I now find that men are increasing so that I shall require at least 300—as today I have 700 men and expect by next week there will be about 1000.

To Meiggs, December 9 (65):

I have to inform you that there are now about 1000 Men at work, therefore, as you will see by my Cash Act. for November I have only S. 10.600 on hand I will not have sufficient money, having given out today for payment S. 4,000—consequently there remain only about S. 6,000 for Pay Rolls &c, which amount will not last the following two weeks. In consideration of which I beg you will please forward me some more cash in Soles, as it is impossible for me to go down for same, I being so engaged.<sup>23</sup>

J. G. Meiggs to Wetmore, January 22, 1872 (Letter Book 5, pp. 443, 443½):

Mr. Nater [Wetmore's pay clerk] has *resigned*. His accounts are very *irregular* to speak gently, and in one case, the altering of the receipt from S.7 30 ct. to 70 30 ct looks very bad for him.

To Meiggs, January 31 (91):

I will now say a few words about the Engeering party they are a number one men and hard workers but have a tite time to keep out of my way in these plains they have been several times across the sumet looking out for a pass to get over with the road. the line has been run to Yauli there they must come to a stand still untill they know which rout they take to cross. and if all goes well with me I will be in Yauli weth the teraplain within five weeks from now and then I shall be brought to a stand still unless they know there rought to meet the other side.

To. H. L. Chandler (Rio Seco—a point well down on the Western side of the summit where there was a supply depot), February 1 (95):

You say the ballance of my order will come up as soon as you can get mules I hope that will be soon as I am much in need of them as

<sup>23</sup> The Indians had, of course, to be paid in hard money. Meiggs had a large number of heavy wooden boxes the size of a small field trunk in which he sent supplies of silver to the camps. The writer was shown one of them in Chosica, Peru. It bore on one end in white paint the inscription, "Enrique Meiggs—Puno."

many of my men are laying out in the rain no shelter . . . send my canvas for tents by the first [pack] train I have now 1500 men at work.

To Messrs. Keith and Company (Rio Seco), March 22 (148):

With these lines I beg you to have the kindness to buy for me a seat bath, if you can't get a new one, please buy a second hand one;—as I have some Mules down there please send it up with them *at once*.

To Meiggs, April 10 (161):

[Mentions the fact that he has but 900 men at work.]

To Meiggs, Yauli, May 15 (173):

I have but a verry few men at work at present most all miners about 500 in all Most all of my Shovel Men has gone home for the harvest I have sent two men into the Province to hunt men with money to get them I am afraid I shall have to pay more per day to hold them here; the weather is verry cold here now and snow with it and that has been a tendence to drive them off.

To Manuel A. Dodds (Lima), Yauli, May 16 (176):

Yours of the 12 ints now laye before me and have noted what you say in regards to your coming back here to work a gain. if you will promise Mr. J. G. Meiggs or Mr. Cilley that you will mind what I say and keep clear of drink there is a place here as long as you want to stay but I assure you the first time I ketch you in licuor off yo go for good.

To Meiggs, July 31 (250, 251):

On Saturday evening, short before pay, I told the men, that they would not get paid, for some weeks, according the first telegraph despatch from Mr. Cilley, but as soon as I received on Sunday morning the contradicting order from said gentleman, I at once made it known, but nevertheless a great many men, left the work, so that I have only 850 to 900 men at work, but I am almost sure, that end of next week, I shall have the double.—. . .

I am sorry I have to complain about Mr. Monier in Antaragra; said gentleman sends commissioners over here to take my men away, by offering them more wages and in order to keep my men, I had also to raise their wages;—to common shovelers I have to pay 12 rs [one *real* was roughly equivalent to 10 cents American] a day, instead of 1 sol and to Miners from 10 to 12 soles, instead of 8 to 10 soles a

week;—I think it very stupid to work against each other, as it only injures you.—[Monier was in charge of a work crew farther up toward the summit.]

To W. H. Cilley, August 12 (271):

I am in receipt of your favor of the 7th inst, and will surely try to reduce the wages; I can only do it little by little; I have from 1100 to 1200 men at work, everything goes well.—

To Meiggs, August 28 (295, reverse):

[Reports the number of men at work as being 1,900.]

To F. A. Merritt (San Bartolomé—in the Rímac canyon about half way to the summit), Visca, October 1 (362):

Bearer of this Pedro Alvarez goes to your station with 30 llamas please load him with 120 barrels of Powder and oblige—

To Merritt, October 10 (381):

Bearer of this goes to your place with 115 . . . llamas of the Empresa to bring up 100 qtls. of Blacksmith Coal; 15 llamas are for “remuda” [relay].

To Meiggs, November 30 (477):

[Announces that he has discharged Jacob Oehlmann, office assistant] for drunkenness and insulting language after having pardoned him twice for likewise offences.

At present I have about 1980 men at work and everything is going on well with the exception of very bad weather.

To Meiggs, December 19 (507):

Though we had lately a little better weather, my men are still falling off, on account of the approaching feast days [the Christmas holidays], so that only about 1000 are left.

To Meiggs, January 2, 1873 (520):

According to your orders received in Lima, I am about breaking up my camp. This week will close the working on the line, after which I shall only keep some men for moving material and tools. Weather continues very bad.

Meiggs to Wetmore, January 27 (Letter Book 8, p. 390):

I have to confirm Mr. Cilley's instructions to discharge all your men Saturday night next, after which you will please pay over your remaining cash to Mr. Wiseman, taking his receipt. . . .

The mules leave today to move your materials and tools.

The contents of these letters disclose, among other things, the fact that there was a close correlation between weather, planting and harvest times, and the season of religious *fiestas* and the number of men actively at work at any given time. One is scarcely inclined to envy Wetmore his job.

While Wetmore was coping with his many difficulties on the eastern side of the summit, the Meiggs crews were having their troubles in the Rímac canyon. The nature of those difficulties has been indicated in a general way. Because of the terrain, fatal accidents were more common here, and ill health among the laborers was more prevalent than it was among the Indians on the summit and beyond. The conquest of the *Infiernillo* and the building of the Verrugas viaduct were much discussed engineering feats.

The Verrugas bridge was, at the time of its building, an engineering wonder of the world. With a length of 578 feet from face to face of the terminal abutments and a height of 252 feet at its most elevated point, it spanned a small canyon which lies at an angle to that of the Rímac. It was built by the Baltimore Bridge Company in 1871-1872.<sup>24</sup> Don Enrique was so proud of the Verrugas bridge that he had Tiffany and Company strike a handsome medal to commemorate it. A specimen of the medal turns up occasionally in a curio shop in Lima. Almost two inches in diameter and quite heavy, it bears on one side a representation of the bridge with its three immense piers, an engine with three passenger cars in tow steaming across it, and the inscription "Viaducto de Varrugas,"—a misspelling of Verrugas, incidentally. The reverse presents in relief the profile head of Meiggs—a good likeness, but presenting him in somewhat the guise of a Roman senator. It bears the inscription "Henry Meiggs." These medals in gold, silver, and bronze were widely distributed in Peru (and in some foreign parts, it may be) among persons of influence and position.

<sup>24</sup> The original bridge was destroyed in 1889 by an avalanche caused by a prolonged season of heavy rains. The second bridge was calculated for a load considerably less than that which it was later called upon to bear. For this reason it was replaced in 1938 by Verrugas Bridge Number 3. The official inauguration of the third bridge took place on January 15, 1938. The second bridge is to be torn down (*New West Coast Leader*, Jan. 11, 1938, pp. 14-16).



Respecting special difficulties in the work of boring the Galera tunnel at the summit, one who visited the place in 1876 wrote: "In the progress of this tunnel every step was impeded by snow-water percolating from above, often bursting through seams and driving the peons from their work. And, although the most hardy serranos were employed, and those inured to the painful effects of a very rarefied atmosphere, yet even they were frequently disheartened by their many trials."<sup>25</sup>

Despite multiple difficulties, for some years the work progressed. In April, 1870, two thousand men were at work on the grading, and John G. expected that by July twenty miles of track would have been put down.<sup>26</sup> At the end of August the terraplane was prepared to a distance of thirty-six miles.<sup>27</sup> At that time five parties of engineers were working to establish the line. Don Enrique had been under such pressure to commence that surveying and building went ahead simultaneously, the engineers having difficulty at times, as a letter of Wetmore quoted above proves, to move ahead with a rapidity equal to that of the graders. By April 6, 1871, twenty-three miles of track were in use—for building operations but not for the public. Rains sometimes carried away parts of the track and the grade, as in February and March, 1872.<sup>28</sup> Of somewhat similar nature was the disaster described by the writer who was quoted on the troubles at the Galera tunnel:

A short distance above Matucana we skirt an immense landslide which occurred about two years ago [probably 1874 or 1875], causing great damage and loss of life, particularly among mules and llamas. It is estimated that millions of tons of earth and rock swept down from the mountains into the valley beneath, damming up the torrent-like Rímac, which formed a lake of considerable depth, and threatened disaster to the country below, and even to Lima. But a sluice was gradually opened, which the river has sufficiently enlarged to enable it to

<sup>25</sup> Montgomery, "A Railroad in the Clouds," *loc. cit.*, p. 459.

<sup>26</sup> Meiggs to W. W. Evans (New York), April 21, 1870 (Meiggs Papers, Letter Book 1, p. 165).

<sup>27</sup> *Memoria del Ministro de Gobierno, Policía y Obras Públicas, 1870*, pp. 119-120.

<sup>28</sup> *Callao and Lima Gazette*, March 2, 1872.

discharge its waters; and although the lake remains, its depth is reduced, and it has ceased to cause apprehensions of danger.<sup>29</sup>

The numerous activities necessary to the building of the road were cleverly described by a correspondent of *El Nacional* when he likened the task to a military campaign. The *army* (early in 1872 it was distributed along the line in eleven camps), consisting of Don Enrique's engineers and laborers, was attacking the Andes. The *scouts* went ahead to determine the best and least costly route; the *advance guard* followed in their tracks, staking out the exact course to be followed; next came the *main body*, leveling the barriers, making fills and cuts and piercing tunnels; lastly, there was the *rear guard*, putting down ties and laying rails.<sup>30</sup>

Thus the work went forward. The "rhyme loftier than Lycidas" was being composed. Or, if one prefers the figure of a native Peruvian—and it is just as good as Mr. Morley's—"the notes of the grand hymn which Mr. Malinowski had dedicated to Peru" were being reduced to sound. "These notes will run all the tones, from the dull blow of the pick-axe on the earth to the shrillest whistle of the locomotive."<sup>31</sup>

<sup>29</sup> Montgomery, *op. cit.*, p. 454.

<sup>30</sup> Feb. 3, 1871.

<sup>31</sup> "E. A." in *El Nacional*, Dec. 22, 1869.

## IX

### BUILDING THE OROYA RAILWAY: DISEASE, CRIME, AND OTHER PROBLEMS

ONE CANNOT reasonably challenge Henry Meiggs's declaration that men died in Peru as they died elsewhere. Nevertheless, the mortality rate among the laborers who blasted the path for the Oroya Railway through the canyon of the Rímac appears to have been greater than was necessary. Fatalities from accidents and disease were more numerous on this road than on any other which Meiggs built. Even if this had not been the case, the deaths on the Oroya line would have been more commented upon, both because they occurred near Lima where it was comparatively easy to observe them and because the circumstances under which they occurred were more dramatic.

It was to be anticipated that lives would be lost through falls and similar accidents. The terrain was of such nature that this was inevitable, and the *empresa* is scarcely to be criticized because of it. With respect to illness, however, the situation was different.

Though various diseases, including certain types of lung affections, attacked the workmen, the greatest number of fatalities was caused by "Oroya fever" and "verrugas." The former, believed at the time to be a type of malaria, got its name from being so prevalent on this road. The latter was so named because it was first observed, and caused a great number of deaths, among the laborers who were working on the site of the Verrugas bridge. These diseases caused many deaths, especially among the Chileans who, in 1870 and 1871, constituted by far the larger part of the laborers on the lower section of the Oroya road.

"Oroya fever" first made its appearance in the region of

Cocachacra, which is at a point some forty miles up the Rímac from Lima at an elevation of almost five thousand feet. The Englishman Hutchinson declares that in the Guadalupe Hospital at Callao the record of deaths from this disease was "almost incredible." He goes on to say that the fever was of the intermittent type, was nearly always accompanied by a fatal liver derangement, and that scarcely one in a hundred of those attacked by it recovered. He assumes that because of the altitude it could scarcely be related to marsh malaria. The disease was believed to be due to "the rapid extraction of animal heat" (the unacclimated Chilean worked all day under a hot sun and lived through very cool nights) and to the lowering of the vital powers by "swallowing indiscriminate quantities of Pisco, the intoxicating spirit made from sugar-cane." This "liquoring," says Hutchinson, with the Chileans went on sometimes through the whole night concurrently with their gambling. "They cared nothing for sleep so long as the infatuation of cards could be indulged in, or until this state of things obliged them to be sent down to Guadalupe Hospital in Callao, to add a few more items to the mortality."<sup>1</sup>

Of the "verruugas," Hutchinson remarks that it was as indigenous to the place as was goiter to the Alps or the Pyrenees. It was hardly decided among the medical men whether or not it came from the use of "water containing earthy salts." It was described as "a very nasty disease, breaking out all over the body sometimes, not even excepting the face, in large warty excrescences." Until these lumps developed, and sometimes even after they appeared, the system of the afflicted underwent a depressed state of all the functions. Its complications with the "Oroya fever," which was often the case, was highly distressing. Hutchinson quotes one Stevenson as having said that "verruugas" warts of a peculiar kind were common in the valleys of the coast. Hutchinson states, however, that during his residence in Peru he never learned of their being known anywhere except up the canyon of the Rímac.<sup>2</sup>

More recently, scientists have discovered that "Oroya

<sup>1</sup> *Two Years in Peru*, II, 61-63.

<sup>2</sup> *Ibid.*, II, 63-64.



fever" and "verrugas" are identical, being simply different manifestations of the same infection, introduced by the bite of an insect. One of the first experiments that led to this conclusion was that made by a Peruvian medical student, Daniel Carrión, who in 1885 inoculated himself with the blood of a verrugas lesion and subsequently died of "Oroya fever." Of this fever it is said that there is no other disease, except black-water fever, in which the red cell destruction is so rapid and extreme.<sup>3</sup>

About midway of the operations, at San Bartolomé, Meiggs established a company hospital, "La Esperanza" (Hope). Of this establishment Hutchinson, who visited it, declares that, "like all such establishments organized by Mr. Meiggs," it was deficient in nothing that could conduce to the comfort of those cared for within. It was equipped with 153 beds, only half of which were occupied at the time of his visit. "Amongst them were some very nasty cases of verrugas."<sup>4</sup> A Peruvian writer declared, shortly before the hospital was opened, that "a magnificent selection of drugs and medical and surgical material" had been bought for it in Chile and in Callao and Lima, and other materials had been ordered from the United States. Dr. Juan Martínez Rosas, who had served on the Arequipa line, was brought up to be chief doctor of the hospital and director of the medical service on the Oroya line.<sup>5</sup>

Despite such excellent equipment, the percentage of deaths did not abate. The situation at length became so grave that the Peruvian government appointed a commission to inspect the line and report on its sanitary conditions. The report, dated April 12, 1871, revealed an alarming situation. Mortality figures for the hospital of "La Esperanza" were presented. For the last eighteen days of February, the month of March, and the first nine days of April, the percentage of deaths among the afflicted was 16.59. The percentage in-

<sup>3</sup> E. R. Stitt, Paul W. Clough, and Mildred Clough, *Practical Bacteriology, Haematology and Animal Parasitology* (9th ed., Philadelphia, 1938), pp. 164-166; Hans Zinsser and Stanhope Bayne-Jones, *A Textbook of Bacteriology* (8th ed., New York, 1939), p. 648.

<sup>4</sup> *Op. cit.*, II, 64.

<sup>5</sup> M. M. R., in *El Nacional*, Feb. 3, 1871.

creased for the three periods, being 10.52 for February, 12.97 for March, and 20.17 for April.<sup>6</sup>

In August of the same year a periodical of Lima stated that there were on the Oroya line some 2,000 laborers, of whom 189 were ill.

Of these 189 patients, before two o'clock in the afternoon, two died; the preceding day three had died; the assistant at the hospital estimates that, on the average, four or five die each day. . . .

The damage which all of these things put together produce, is sufficient to explain the phenomenon of the desertion of the laborers.<sup>7</sup>

A difficult problem for the *empresa* developed. Either the laborers had no confidence in the company hospital or they were afraid of the deadly climate of the place. In any case, they fled in considerable number to Lima and Callao, leaving the works without sufficient hands. The Chilean minister, Ibáñez, spoke in August of a party of 400 workmen who had abandoned their camp and set out for Lima.<sup>8</sup>

Many Chileans gathered in Lima at this time. This fact is attested by figures of the Beneficencia which were furnished to Chilean officials—figures that reveal the number of their countrymen who were being treated in the hospitals of Lima. In the months of April to August, inclusive, 730 entered those hospitals. Of these, 153, or more than 20 per cent, died.<sup>9</sup> In August there were in the hospital of San Andrés 66 Chileans—of these 16 died, 50 went out cured; in the months of September and October, 467 entered this hospital—351 left cured, 104 died, and 12 remained. In the same period, 19 entered the hospital of La Concepción—11 went out, 6 died, 2 re-

<sup>6</sup> Adolfo Ibáñez, Chilean minister in Peru, to his government, April 29, 1871 (MSS, Archivo Nacional de Chile, Agentes de Chile en el Perú, 1871, XVIII, No. 53).

<sup>7</sup> *La Patria*, Aug. 18, 1871.

<sup>8</sup> To Chilean Minister of Foreign Relations, Aug. 9, 1871 (MSS, Archivo Nacional de Chile, Agentes de Chile en el Perú, XVIII, No. 81).

<sup>9</sup> Oct. 4, 1871 (*ibid.*, No. 98). Ibáñez asserted that during the greater part of the period the Peruvian authorities were prohibiting the Chileans from going to Lima, so that only those who were able to escape the vigilance of the police reached the city. On this basis he made a calculation: "Multiplying by three the number of patients in Lima hospitals, it follows that in the five months indicated, 2,190 Chileans have fallen ill" (*ibid.*). Rather exaggerated and insecure mathematics.

maintained. Which is to say that of 552 Chilean patients who were at the period under treatment in the hospitals of Lima, 126—about one fourth—died.<sup>10</sup> The Chilean Minister of Foreign Relations, citing these statistics in his report to Congress in 1872, said: "These figures alone are sufficient to give an approximate idea of the number [of Chileans] who will have died in all of Peru."<sup>11</sup>

A visitor to Peru about the mid-seventies wrote that "at least 10,000 persons are computed to have died thus far in the progress of the work." He added that of those attacked by fever, "scarcely one in a hundred recovered."<sup>12</sup>

It is difficult to give full faith to these figures. Nevertheless, one cannot avoid the conclusion that Meiggs was not sufficiently careful of the health of his workmen. Such conclusion gains support from the action taken by the government on receiving the report of the commission of investigation mentioned above. A decree was issued which required that the *empresa* place its camps on high, dry ground and its hospital in a central place which should possess the same characteristics; that the laborers, before they went to work, be administered a dose of quinine in a stimulating drink; that the medical service be reorganized and directed by professionals in conformity with Peruvian law; and that the hospital be supplied with medicines, shelter, and nourishing diets.<sup>13</sup> Minister Ibáñez himself had visited the Oroya camps, and he criticized severely their sanitary conditions. He declared that because of the lack of cleanliness and attention in the hospital and other conditions, the laborers preferred to die in the miserable huts in which they were living rather than to receive aid which disgusted them.<sup>14</sup>

It was probably in response to the decree of the government that a "doctor inspector" was appointed for the entire

<sup>10</sup> Eleodoro Toro Mazate, secretary of the Chilean Legation in Peru, to the Chilean Minister of Foreign Relations, Dec. 6, 1871 (*ibid.*, No. 111).

<sup>11</sup> *Memorias Ministeriales de Chile*, 1872, Vol. I, No. 37, p. xviii. The official was Ibáñez, who had formerly been minister to Peru.

<sup>12</sup> Montgomery, "A Railway in the Clouds," *loc. cit.*, pp. 461-462.

<sup>13</sup> Clipping from a Lima periodical, probably *El Peruano*, enclosed with Ibáñez' No. 98 to the Chilean Minister of Foreign Relations, Oct. 4, 1871 (MSS, Archivo Nacional de Chile, Agentes de Chile en el Perú, 1871, XVIII).

<sup>14</sup> To the Minister of Foreign Relations, Sept. 7, 1871 (*ibid.*, No. 93).

health service of the Oroya road. The person chosen was Dr. Enrique Kinney, who assumed the office in January, 1872, becoming the immediate superior of the hospital doctor and the other doctors on the line.<sup>15</sup>

The desertion of large numbers of Chilean laborers, consequent in considerable degree to these diseases, was one of the chief reasons for the introduction of Chinese labor on the Oroya line.

The Chilean press attacked Meiggs bitterly, accusing him of extreme carelessness with the lives of his workmen. A long article on the subject which appeared in a newspaper of Santiago was concluded with this stinging paragraph: "It appears that the contractor, Sr. Meiggs, in contracting with our nationals to return them to their home when the year for which they were *decoyed* should be terminated, *consistent with his humanitarian principles*, had in mind the heavenly home, to which have gone a greater number than of those who have fulfilled the clause which speaks of this in the contract referred to."<sup>16</sup>

Numerous attacks of this nature eventually constrained Don Enrique to reply to his critics. His reply took the form of a long letter which he gave to the Peruvian press early in 1872. His rebuttal is as exaggerated in its terms as are the Chilean charges. Among his statements was one to the effect that he had no desire to reproach the Chilean people for wishing to check emigration, for he well knew that the lack of manual labor would be fatal to the country's agriculture. He did, however, reproach them for the means adopted. "It was not fair to speak of fever when none existed [!]; nor was it necessary or just to paint the valleys of Peru as immense cemeteries of Chileans. Here we die as in any other region of the globe."<sup>17</sup>

It has earlier been remarked that the Chilean laborer was not by any means an exponent of peaceful methods of persuasion. Breaches of the peace occurred on the Oroya road, as

<sup>15</sup> Henry Meiggs to Dr. Kinney, Lima, Jan. 17, 1872 (Meiggs Papers, Letter Book 5, p. 416).

<sup>16</sup> *La República*, Feb. 25, 1872.

<sup>17</sup> *El Comercio*, Feb. 7, 1872; *Callao and Lima Gazette*, Feb. 10, 1872.



they had occurred and were occurring on the Arequipa road. It was asserted in a Peruvian newspaper that since the commencement of work on the Oroya road and the bringing to the country from Chile of "an enormous colony" to sustain it, the Chileans had not ceased "to commit murders and to harass with all sorts of depredations the villages and the dwellers in the vicinity."<sup>18</sup> The country through which the route led was in general wild and comparatively, or entirely, uninhabited. Consequently, regular institutions for maintaining order were usually lacking.

It would have been much less difficult to deal with lawlessness among the Chileans if the Peruvians themselves, people and government, had been somewhat more accustomed to peaceful and loyal compliance with the laws. In an official dispatch to Santiago, Minister Ibáñez, admitting that uprisings and riots among foreigners in Peru (Chileans as well as Chinese and others) were a species of endemic disease, declared that the cause was "the frequent disturbances and revolutions which unfortunately disturbed the Republic."<sup>19</sup> That this was not a prejudiced, isolated opinion is effectually proved by a passage from the pen of a contemporary Peruvian:

This frightful labor of destruction is derived from various causes. For many years the public powers have been the first to give the example of contempt for the law, and it is not strange, to say the least, that they should have disturbed the notions of justice [entertained by private individuals]. The congresses have believed themselves omnipotent and have raised passion, self-interest, or caprice to the dignity of law. The governments, for their part, have passed over the laws, which were not respected even by the authors themselves. The people, in short, accustomed to see those transgressions in those called to sustain the precepts of the country, have lost in great part the veneration which ought to be rendered to the tutelary institutions.<sup>20</sup>

Such local authorities as existed—improvised in many cases by the central government to supply a lack—frequently employed arbitrary methods of procedure in matters concerning

<sup>18</sup> *El Comercio*, Nov. 22, 1872.

<sup>19</sup> Arequipa, Jan. 18, 1871 (MSS, Archivo Nacional de Chile, *Ajentes de Chile en el Perú*, 1871, XVIII).

<sup>20</sup> Editorial in *El Nacional*, Feb. 24, 1869.

Meiggs's relations with his workmen, methods not justifiable under Peruvian law.<sup>21</sup> *El Comercio*, in its issue of June 11, 1873, devoted a long editorial to a criticism of the governmental authorities for their failure to investigate the death of two workmen on the Oroya line and the meeting with rifle fire of a group of workmen who were protesting against an unannounced reduction in their wages. Moreover, the personnel of the small bodies of soldiers which were placed here and there to maintain order was not such as to command respect, the soldiers being often men of very bad character.<sup>22</sup>

For Peru and for Meiggs it was a matter of the greatest importance that the railway works should go forward without avoidable delays. The iron roads were going to bring to Peru "the Age of Gold," and to Don Enrique a fortune, once they were finished. It was natural that government and contractor should join their forces in the great task. As a consequence the laborers on the roads, of whatever stamp, suffered when their interests conflicted with those of the country and Meiggs. There were even times when Chilean laborers, on the pretext that they were peons, were not permitted to embark for a home port. On other occasions men were taken by compulsion to points where their labor was needed.<sup>23</sup>

The disturbances among laborers, Meiggs, and the governing authorities reached a crisis in midyear of 1871, particularly as concerned the Chilean contingent. This was the time of much serious illness already described. Many workmen were abandoning the scene of their labor, and others, arriving at Callao from Chile, were refusing to go up to work on the line. The authorities were employing various means to impede the free movement of laborers, including the use of armed force.<sup>24</sup> A further complication was the fear entertained

<sup>21</sup> See report to Congress of Chilean Minister of Foreign Relations (*Memorias Ministeriales de Chile*, XXXV, 1871, I, 14-16).

<sup>22</sup> M. M. R., *El Nacional*, Feb. 3, 1871.

<sup>23</sup> See Ibáñez to the Chilean Minister of Foreign Relations, July 15 and Aug. 12, 1871 (MSS, Archivo Nacional de Chile, *Ajentes de Chile en el Perú*, 1871, XVIII, Nos. 61 and 62); also Matías Masenelli to Ibáñez, Arequipa, Oct. 8, 1870 (*ibid.*, 1868-1870, XVII, bound after No. 22).

<sup>24</sup> *Callao and Lima Gazette*, July 11, Aug. 12, and Oct. 12, 1871; Ibáñez to Chilean Minister of Foreign Relations (*loc. cit.*, XVIII, No. 64).

in certain quarters that the Chileans were going to be made use of in the approaching presidential election.<sup>25</sup>

About mid-July of 1871 the prefect of the Department of Lima ordered a body of cavalry into the Rímac Valley to pick up the Chileans who were fleeing the works on the Oroya line. Ibáñez read the notice of the action which was published in *El Comercio*. At the same time he learned that the authorities had taken from the steamer *Valdivia* at Callao, on the ninth of the same month, a party of thirty-two Chilean laborers who were on the point of leaving the country. They had been ordered to return to their work on the line, being at the same time dispossessed of their passages and what money they had. Ibáñez investigated. He learned that none of the *rotos* had a contract with Meiggs (the making of written contracts had largely been discontinued), and he decided that he should make a protest to the Peruvian government against such procedure. This he did, with the result that the thirty-two were immediately placed at liberty and their possessions restored to them. In his report of the incident, Ibáñez declared: "Everything considered . . . it is revealed that the aim of the authorities of Peru is to subject the Chilean laborers of the iron roads which are being built here to an exceptional and violent regime which cannot do less than produce serious and lamentable complications."<sup>26</sup>

In response to the strong protests of Ibáñez, the Peruvian authorities, in midyear of 1871, took measures intended to protect the Chileans. The Chilean minister believed that they would lessen to a considerable extent the evils which had previously existed. He informed his government that these points were established: (a) that the Chilean peon should have complete freedom to quit the works when he wished to do so; (b) that his contract, when he had one, should be respected; (c) that he should be properly cared for in case of illness.<sup>27</sup>

In the dispatch in which he reported his actions and their

<sup>25</sup> *El Heraldo* (Lima), Oct. 17, 1871.

<sup>26</sup> Aug. 12, 1871 (MSS, Archivo Nacional de Chile, Agentes de Chile en el Perú, 1871, XVIII, No. 82). See also note of Ibáñez to the Peruvian Minister of Foreign Relations, July 15, 1871 (*ibid.*).

<sup>27</sup> Lima, Sept. 16, 1871 (*ibid.*, No. 93).

consequences, Ibáñez declared that since the *rotos* enjoyed complete freedom, the greater part of them had quit work on the Oroya road, the number still working there being only about one third of those previously employed. He made the further statement that this fact had meant a great loss to the contractor and had, according to information which he had received from private sources, brought him to the decision to bring in "Asiatics."

The protests of Ibáñez and the measures subsequently taken by the government seem to have been effective for the time. Until November, 1872, there was little difficulty regarding those Chileans that were still employed by Meiggs.

That date, however, marked the beginning of another period of disturbances. The incident with which it was initiated took place on the Oroya line on November 17 and threatened for a time to produce very serious consequences. At Ocatara, in the Province of Huarochirí, was located a camp of some eight hundred Chileans.<sup>28</sup> The incident that occurred there on the date mentioned was described by *El Comercio* in these terms:

On Sunday the 17th a Chilean peon entered a hut or tent where there were several Peruvians; and as the former was intoxicated, a quarrel broke out between them, a Frenchman by the name of Lorenzo Ponce having participated to a degree, though it is not known in what manner.

The Chilean went out and called his compatriots, and at the sound of a bell a multitude of them gathered and fell upon the Peruvians, a bloody struggle ensuing from which resulted wounds and deaths in both parties and the flight of the Peruvians to another camp.

On the 21st the sub-prefect made his appearance on the scene of the happening. He drew up the peons and arrested the most culpable (giving regard to the reports made by the boss of the Chilean camp, Sr. Vitali, and to their antecedents), sending them under arrest to this capital.

Here are their names: Lorenzo Ponce, José del C. Escobar, Juan Malareño, José Arequiño, Carmen Arequiño, Hilario Farías, Hipólito Arequiño, Pedro Mori, José M. Farías, Juan B. González, Domingo

<sup>28</sup> *El Comercio*, Aug. 12, 1873.



Pisado, José Cáceres, Bernardo Arancibia, Isidro Casaldo, and Celestino Aguirre.<sup>29</sup>

Great alarm was felt when news of this event got about in the country. It went so far as to have an echo in the Chamber of Deputies, where the Minister of Government had to sustain an interpellation on the matter in the session of November 21. Nevertheless, the danger was exaggerated, for there was no immediate repetition of such an act.<sup>30</sup>

The Chilean chargé d'affaires, Joaquín Godoy, requested of the Peruvian authorities a detailed report on what had happened, and expressed a desire that the Chilean offenders be tried without delay.<sup>31</sup>

However, complications arose. In the district where the offense had been committed there was no jail that would afford the necessary security for the custody of the culprits, and for that reason they were taken to Lima. In the city they were put at the disposition of the local court (*juez del crimen del turno*). But delay ensued because that court lacked jurisdiction over crimes that were committed outside its district.<sup>32</sup>

The Chilean diplomatic agent, vigilant to defend the rights of his countrymen as he defined them, and impatient at the slowness of Peruvian tribunals, again approached the authorities. He believed that the delay was not justified, and he proposed to the Peruvian Minister of Foreign Relations, Sr. Riva-Agüero, what was in his opinion "the only expedient which, taking all the circumstances into account, it was possible to adopt." His solution consisted in the repatriation of the nineteen along with their families, at the expense of the Peruvian government. The argument of Sr. Godoy ran in this fashion:

It was not legal to hold the accused under arrest indefinitely without subjecting them to trial; it was not prudent, on freeing them, to

<sup>29</sup> Nov. 25, 1872.

<sup>30</sup> Godoy, Chilean chargé at Lima, to the Chilean Minister of Foreign Relations, Nov. 23, 1872 (MSS, Archivo Nacional de Chile, Agentes de Chile en el Perú, 1872, XIX, No. 25).

<sup>31</sup> Nov. 26, 1872; copy with the dispatch of Godoy to his government, No. 19, dated Dec. 14 (*ibid.*).

<sup>32</sup> *El Nacional*, July 15, 1873.

restore them to the Ocatara camp, for new disorders would have been the consequence of such action; neither was it [prudent] to leave them in Lima without work and the means of gaining their sustenance afterward; repatriation was due them for the detention which they had suffered illegally since the day on which, according to the law, they ought to have been placed at the disposition of a competent judge; they, for their part, not only accept [repatriation] but desire to be repatriated.<sup>33</sup>

In the course of the second conversation on the matter, which took place on December 31, Minister Riva-Agüero accepted the view of Sr. Godoy and consented to the repatriation of the accused Chileans. And on January 4 following, they with their families (with the exception of three who embarked on the eighth) set out for Valparaíso.<sup>34</sup>

Careful search has failed to uncover in Peruvian archives an official account of this matter. Nor was one discovered in Chilean archives, other than the dispatch referred to above, and it lacks amplitude. The action of the Peruvian government in freeing the accused men without judicial process had a "clandestine" character, as *La Patria* of Lima declared.<sup>35</sup> This fact suggests that the Peruvian officials realized that their action was irregular and that, possibly, it was taken in consequence of Chilean demands. In the Peruvian press and in Congress, indignation was manifested against the action of the government in giving its consent to the repatriation in response to the insistence of the Chilean diplomatic agent.<sup>36</sup> The editor of *El Nacional* declared: "The country cannot fail to be overcome with surprise and indignation on learning that when they were confiding in the public powers to punish the frightful crimes committed against the unhappy natives of Ocatara, the authors of those crimes, abusively removed from the place of

<sup>33</sup> Godoy to Chilean Minister of Foreign Relations, Jan. 1, 1873 (MSS, Archivo Nacional de Chile, Agentes de Chile en el Perú, 1873, XX, No. 42).

<sup>34</sup> *Ibid.* See also Godoy's dispatch of Jan. 6, No. 46 (*loc. cit.*).

<sup>35</sup> Aug. 12, 1873. See also *El Comercio* of even date.

<sup>36</sup> Sr. Rosas, Minister of Government, etc., was interpellated on the subject a second time by the Chamber of Deputies and resigned his office as a consequence of the unpopularity of his action. See Peruvian *Diario de los Debates, Cámara de Diputados* de 1874, pp. 68-86; 100-108; 492-494; *ibid.*, II, 177-183.

their detention, had been released and conducted to their country on the request of the Minister of their nation."<sup>37</sup>

This incident certainly did nothing to better the relations of Peru and Chile. Neither, apparently, did it have the effect of improving in general the situation of the Chilean *rotos* who still remained in Peru. Clashes between Chileans and Peruvians continued to be the rule, occasioned in part, it is quite possible, by the unreliable character of the soldiers who were stationed at different points on the line. Sr. Godoy, reporting to his government in a dispatch of June 11, 1873, on the state of his fellow-citizens in Peru, asserted that the protection which he owed them as his country's representative was claiming continuous attention on his part. He wrote: "The very considerable number and the diverse condition of the Chilean immigrants in this country has [*sic*] given origin to frequent effort in their favor and to almost daily representations, either to the Government, or in confidential form as regards the subordinate authorities."<sup>38</sup>

It is probable that many of these representations were made on behalf of individuals who were no longer in Meiggs's employ, for after 1872 the number of Chileans in Peru who were on his payrolls steadily decreased. The unemployed became more and more a social problem for the public authorities. As far as Meiggs himself was concerned, it appears that he was less troubled by labor difficulties after he had replaced a considerable portion of the Chileans by Chinese coolies whom he had decided—late in 1871—to "buy."

Meiggs's contracts with the *rotos*—when contracts were drawn—provided that their return passage should be paid by the contractor on the satisfactory termination of the contract period. Many of the men did not, of course, fulfil "satisfactorily" the terms of their contracts. It is not known to what degree Meiggs did actually defray the expenses of those who returned. The author of the Meiggs Manuscript (probably written late in 1871) declared that Meiggs had "Recently . . .

<sup>37</sup> July 15, 1873.

<sup>38</sup> MSS, Archivo Nacional de Chile, Agentes de Chile en el Perú, 1873, XX, No. 110.

paid, not owing it but to avoid disputes and perhaps more serious trouble to the country, some 4,000 return passages of peons of different railways." But this writer was a special pleader and his testimony is suspect. In any case, it appears that probably the greater number of those laborers were yet in Peru at the time of Meiggs's death. On April 15, 1879, after the War of the Pacific had been commenced, the Peruvian government decreed the expulsion of all Chileans. A Peruvian historian states that there were in Peru on that date twenty thousand Chileans.<sup>39</sup> Many of them, undoubtedly, were of the number that Don Enrique had introduced in the course of the preceding decade. The Chilean government had previously, to a limited extent, defrayed the expenses necessary to the return of some who were in bad health or were particularly needy cases.<sup>40</sup>

It will be recalled that by the terms of the contract (on the Oroya as on other roads) the government conceded gratuitously such public land as should be needed for the right-of-way or for temporary building sites or other essential services. However, if any land were needed which belonged to corporations or to private individuals, it had to be secured at the expense of the contractor, the government being obliged merely to facilitate its acquisition by the means provided by law.<sup>41</sup> It was found necessary in many cases to secure right-of-way through such properties, and Don Enrique had his share of the experiences usually associated with that situation—owners claiming ruin of their properties and demanding exorbitant damages. Sometimes adjustments were made amicably. At other times settlement was secured only by having recourse to condemnation proceedings. Don Enrique advanced to property owners the argument that the passing of the railroad through their estates indemnified "with usury" the value of the land. It had been observed, he declared, that "the happy accident" of having a railway pass through it "caused a 400

<sup>39</sup> Mariano Felipe Paz-Soldán, *Narración Histórica de la Guerra de Chile contra el Perú y Bolivia* (Buenos Aires, 1884), p. 130.

<sup>40</sup> See Godoy to Chilean Minister of Foreign Relations (MSS, Archivo Nacional de Chile, *Ajentes de Chile en el Perú*, 1868-1870, XVII, Nos. 39 and 46).

<sup>41</sup> Section 14 of Oroya contract (*Los Ferrocarriles del Perú*, I, 117).



per cent increase in the value of rural property." If this argument failed to work, he was sometimes able to bring the recalcitrant owner to terms by threatening to change the route and "pass by on the other side."<sup>42</sup>

The complications which arose in this connection and the method used in handling them are very well illustrated in the case of an estate that lay in the Rímac across the path of the Oroya line. This description of what happened is quoted from a letter which John G. wrote to his "Prior," Don Enrique being at the time in Santiago:

... Our work goes on first rate and Barring Land troubles have nothing to complain of. We are now all graded up to the Kilometro 22, except about 1000 metres heavy work through the Vicentelo Estate. The proprietor, or rather the claimant a Mr. Marou who is one of the heirs of Col Jimenez has put in a claim for S/80,000 for damage. I tried all I could to arrange amicably, we each appointed a "perito" [expert], he naming "Quesada" the same who acted for Figuerola. Valdivia says the damage is just the same and no more than all the other Estates through which we pass. Quesada on the contrary says the Estate is ruined. I went all over the ground myself and can say positively that he suffers less than many others who have made no pretensions. Of course we could not agree, as I was determined to submit to no such operation as he wished to impose. Marou got an order from the Judge of 1st Instance to stop the work. I then made a recurso to the Govt. The Minister immediately issued an order to the Prefect to protect the work with an armed force if necessary, and on no consideration to permit the work to be stopped and has further ordered the Fiscal of the above mentioned court to take the necessary means to expropriate the property. I have deposited S/50,000 in the Caja Fiscal!!—Marou has made a false declaration in stating that he owns the property as he is only one of many heirs, the property being in concurso [process of settlement] and many mortgages against it. One mortgage of over S/50,000 is held by Mr. Ureta of Arequipa. Tejada being his apoderado [attorney] here. This claim is for sale at a heavy discount, and the holder of it can sell the property and shut out Marou, & others or compel them to pay the full value. Cisneros however recommends me to fight, and I *know* it is a necessity as I hear of preparations being made to fight us all the way to "Cocachacra" Mr. Zalthaus was telling

<sup>42</sup> Meiggs to Sr. D. Francisco Noriega (Arequipa), Lima, March 12, 1870 (Meiggs Papers, Letter Book 1, p. 61).

the other day of a friend of his wanting to purchase an Estate through which we pass, and which was valued at S/30,000 the owner admitted that it was a *fair* price but he said the Railway passed through it, and he would easily make Don Enrique pay S/50,000 and then the balance would be for sale We shall beat them every time!!—<sup>43</sup>

With the friendly assistance of the authorities, Meiggs found ways of dealing with such persons—"unpatriotic subjects"—and the work was not delayed by them.

Another annoyance was occasioned by the management of the old Callao and Lima Railway. As previously stated, that abbreviated road had been built under a concession which granted a twenty-five-year monopoly on rail transportation between its termini. As the Meiggs railway also had a terminus in Callao, its track up to Lima paralleled that of the older road. With the track of the Oroya road being laid upward from Callao, Meiggs wished, of course, at once to place locomotives and cars on the completed portion. He would then be able to carry supplies from the port to the railhead without the necessity of paying freight. To this procedure the management of the older road objected, claiming that it would be a violation of the terms of its concession. The position taken by Meiggs was that the carrying of materials for a railway which was to extend beyond Lima would not conflict with the rights claimed by the opposing group until the Meiggs road should be opened for public use.<sup>44</sup> John G. declared that the Callao and Lima Railway management had themselves used this excuse "to procure an extension of their privilege. In fact they took four years."<sup>45</sup> By this he meant that the older road had insisted successfully that its twenty-five-year monopoly should be considered as extending from the date when the road was opened to the public rather than from the day when locomotives began to haul materials used in constructing the road. An ingenious method of winning his point occurred to John G. He described it to his brother in the same letter in which he discussed the Marou controversy:

<sup>43</sup> Lima, May 4, 1870 (Meiggs Papers, Letter Book 1, pp. 212-214).

<sup>44</sup> John G. Meiggs to W. W. Evans, April 21, 1870 (*ibid.*, p. 165).

<sup>45</sup> *Ibid.*

*Locomotive* Will be running day after tomorrow and then for a fight with Callao & Lima I have thought of a plan whereby we can also lay *them* out. You own all the land through which the road passes. A *person* has a right to run a railway through his own land. So says Cisneros!!—One thing against this is that we must *defer all estimates* up to Lima, and absolutely own the road *and* land— The case is now before the Supreme Court and before I push for an estimate I shall get the opinion of Secada [a member of the president's cabinet], and see if I can make arrangements for equivalent estimates above Lima to compensate us for withholding those from Callao to Lima.<sup>46</sup> Cisneros [a Meiggs attorney] is very positive we can beat them on the point I have raised, and it would be worth a good deal to the government. You would then remain the sole owner of the road between Callao & Lima until the time of the privilege [of the older railway] expires.

About the time the letter just quoted from was written, William Sterling, manager of the Callao and Lima and the Chorrillos railways (both belonged to the same English company), made to Meiggs an offer of sale of both railways with all of their franchises. Whereupon John G. wrote Meiggs's European agents, Dreyfus Brothers and Company, and made a counterproposition at a much smaller figure.<sup>47</sup> It does not appear that the sale was consummated. Don Enrique's position was so strong that he was able to solve the problem without going to the length of purchasing the rival railway. The Oroya road, however, was not opened to public traffic between Callao and Lima until May 18, 1876, after the expiration of the concession of the Callao and Lima Railway.<sup>48</sup>

As the work went ahead, measures were taken to keep the project before the public and to convince the people of its grandeur and its utility for future development. For it must be borne in mind that the line would be of little value to the economic life of the nation until it should have reached and

<sup>46</sup> The estimates referred to were those for work completed, on the basis of which periodical payments were to be made to Meiggs. Deferring the presentation of these estimates to the government would mean, of course, delay in payment. This would be no cause of embarrassment if the authorities should be willing to make payments in advance for sections above Lima, which is what John G. was suggesting.

<sup>47</sup> Lima, May 13, 1870 (*ibid.*, pp. 242-243).

<sup>48</sup> *El Comercio*, May 16, 1876.

opened communication with the mineral and agricultural regions of the Andean highlands. On Sunday, July 31, 1870, a gala event was arranged, and the President and his cabinet and the members of Congress were taken "from Callao through the Bridge." The bridge referred to is that which crosses the Rímac in the center of Lima. The railway passes under it at a point very near the railway station, now called "Desemparados." "Considerable excitement" was anticipated by John G., and was doubtless realized.

Almost a year later the newspapers reported a *paseo* to Cocachacra, the hosts being Henry Meiggs Keith, superintendent, and Ernesto Malinowski, chief engineer, of the line. About 140 ladies and gentlemen enjoyed the run up the canyon, exclaiming at the engineering wonders revealed to them, and ate "the magnificent lunch" which had been prepared.<sup>49</sup>

While construction was yet in progress, the building of a number of branches was discussed. They were intended to connect Oroya with other centers on the plateau. One should be built to Cerro de Pasco to furnish an outlet for the great mineral wealth of that fabulous place. A second should continue eastward and downward into the semitropical agricultural region about Tarma. And a third ought to be constructed southward along the plateau to Jauja, and later, probably, to Huancayo and Ayacucho, likewise rich in agricultural and pastoral products.<sup>50</sup> "Rails are like furrows, where fecund seed is sown," declared a proponent of the railway to Jauja.

All of these roads, however, were destined to be greatly delayed in realization—some of them, in fact, have not yet been built. Meiggs was able to lay track on the Oroya road proper only to the station of Chicla, distant from Callao about eighty-seven miles and still more than ten miles from the summit of the cordillera. And this despite the fact that the line had been opened to traffic from Lima to San Bartolomé—about forty-five miles—as early as September, 1871. Because

<sup>49</sup> *Callao and Lima Gazette*, July 6, 1871.

<sup>50</sup> *Memoria del Ministro de Gobierno, Policía y Obras Públicas*, 1872, "Ferrocarril Transandino de Lima a La Oroya," not paged. See also the report of Gerrit S. Backus on a road to Ayacucho in *El Comercio*, Oct. 2, 1870.



of serious financial difficulties (of both the nation and Don Enrique), work was completely paralyzed in August, 1875.<sup>51</sup>

A serious social problem developed because of the thousands of men who were thrown out of work by the cessation of operations on this and other roads. Though it is of some importance in the history of Peru, it cannot be treated here.

The millions of *soles* spent on this road—Costa-Laurent finds them to have been 20,146,808.63<sup>52</sup>—although they did prepare much of the grade for the 138 miles originally envisaged, brought to completion but 87 miles of track. There the contractor stalled; the road was left unfinished, like a well which is abandoned before the sinking shaft reaches a vein of water. The most grandiose of Henry Meiggs's railway projects was a decided failure.

<sup>51</sup> Costa-Laurent, *El Ferrocarril a Huancavelica*, pp. 15-16.

<sup>52</sup> *Ibid.*

THE AREQUIPA-PUNO AND JULIACA-CUZCO  
ROADS

SCARCELY had the government and the populace at Lima reverted to the humdrum of normal existence after celebrating the placing of the first stone of the Oroya Railway, when the people of Arequipa and its vicinity were diverted by a similar experience. The national enthusiasm for railways was at its height. Not yet had the season of disillusionment arrived. The road which now connects Arequipa with the seacoast was nearing completion. Less than a year would see it finished. The inauguration of work on the Oroya road had just been celebrated, and operations would shortly be under way. Now construction of the road which was to link Arequipa with Puno, on the margin of Lake Titicaca, was to be inaugurated. It will be remembered that the contract for this road had been signed simultaneously with that for the one to Oroya.

Except for scene and, to some extent, identity of the chief actors, the celebration at Arequipa on January 29, 1870, had much in common with that of Lima on January 1 of the same year. At Arequipa as at Lima, the star actor was Don Enrique. On this occasion he was making what was probably his first visit to Arequipa, and for that reason the journey upward from Mollendo had something of the nature of a triumphal procession.

He stopped overnight at Huasamayo. The town had been decked out to receive him "like a young woman adorned with flowers, fresh and full of hope," as a reporter put it. On the afternoon of his arrival Don Enrique was given an ovation "simple and grand." All the peons of the vicinity who were employed by him—about a thousand—came down to make

him welcome. To guard against a riot, perhaps, they came in successive groups. The Chileans performed first. They carried their national flag and cheered lustily for Meiggs and for their native land. The other, and somewhat larger, group was composed entirely of Bolivian *yanaconas*. "In their deportment and their humility they revealed the vassal spirit of colonialism; but, showing their contentment, they filled the air with shouts of felicitation." In their ponchos of many colors and with their bronze faces, they must have presented an intriguing and an animated picture. In the evening the Bolivians returned to serenade the *patrón*. With wailing flutes, rattling drums, and sad-voiced singers they rendered a concert which, while it may have left something to be desired in harmony, could hardly have been lacking in feeling.

The following day, January 26, Meiggs continued his journey to Arequipa, being joined at Uchumayo by his engineers. At the city's limits they were received by the prefect, Pedro Balta, a brother of President Balta; and by committees from the city council and the Beneficencia. Passing through the bedecked city to the central plaza amid cheering throngs, the new arrivals and their escort constituted a parade three squares in length.

On the twenty-seventh the Secretary of War and the Navy, Juan Francisco Balta, another brother of the President, arrived. He had been commissioned to represent his exalted brother and the national government in the inaugural activities.

The ceremony of inauguration was performed on the afternoon of the twenty-ninth on a spot at the edge of the city known as the "Little Valley." There, under a broad canvas which sheltered the principal actors from the midsummer sun, work on the Southern Trans-Andean Railway was officially begun. The scene was not lacking in picturesqueness nor in grandeur. Part of the terrain round about rose in terraces. Near-by were houses and the ruins of buildings wrecked by the recent earthquake. Everywhere, seated on the terraces and perched on ruins and houses, were the populace, dressed, since many were Indians, in garments of many colors. The country there falls away gently on one side toward Huasamayo, the

pampa, and the sea; while on the other the city sits on the slope which climbs upward to the foot of El Misti. Dominating the whole, towers the glistening, perfect cone of that famous peak.

The ceremony was scheduled for the early afternoon, and the notables made their appearance at one thirty. Among them were the Minister of War and the Navy, the prefect of the Department of Arequipa, the illustrious Archbishop of the Diocese of Arequipa, the members of the superior court, Generals Vivanco and Buendía, and, of course, many others of less consequence, besides Don Enrique and his engineers. At the proper moment, Don Enrique took his place beside the symbolic objects on which the ceremony was to center—*la primera piedra* and a silver shovel. Both were profusely inscribed. In the marble of the first stone and the silver of the shovel were cut the names of the chief national officers, the prefects of Arequipa and Puno, the Archbishop of Arequipa, the chief engineer of the road—John L. Thorndike—and, of course, Meiggs. To all of these were added the official name of the railway and the date of inauguration.

Grasping the richly carved wooden handle of the shovel, Don Enrique addressed the minister and the concourse in his customary vein of exaggerated optimism and prophecy. The day, said he, which should see the baptism in the mingled sweet waters of Lake Titicaca and salt of the Pacific of the first locomotive which should subdue the Andes, would be the greatest of his life, because it would be the precursor of the endless peace and progress of a nation that he loved as he loved his own. He continued:

The work which we are initiating, a rival of those which now are amazing humanity, opens to Peru a horizon of well-being so vast that the mind can hardly encompass its limits and speech has to limit itself to expressing only the immediate benefits which will result from its realization. Economically railways multiply products and consumption with the indefinite increase of population; they give value to lands which they cross, however arid and disagreeable they may be to habitation and cultivation; they facilitate immigration, making movement prompt; they prevent colonies which immigration produces . . . from remaining in isolation; the powder and the drill which works them



uncover new elements for science, for industry and for individual interest; and their spirit, essentially leveling, prevents the indefinite concentration of public and private riches in one single place. . . .

If under this aspect their results are as great as they are palpable, socially railways make practical the spirit of divine Christianity, the essence of which is fraternity. . . .

Localizing these considerations, I foresee, sir, that the railway from Arequipa to Puno will fulfil in what remains of this century the aspirations of the philanthropists who have beheld from afar the regeneration of the Indian race and its fusion with our own; my prophecy is logical since the Andes are bending their proud crests before the civilizing banner of the nineteenth century: *steam*.

In conclusion the speaker expressed the "sweet hope" that the early completion of the railway from Mollendo to Arequipa and the work on the one soon to unite the city with Puno would cicatrize the wounds inflicted on "the sons of these beautiful regions" by the earthquake of 1868. Thereupon he yielded the stage, and the Archbishop pronounced his blessing on the first stone and the shovel.

At the conclusion of the program Meiggs, accompanied by his staff and his engineers, retired to the Colegio de Ejercicios, in the cloister of which a "splendid lunch" had been prepared. Here they awaited the arrival of their four hundred invited guests, all the great and the near-great who were in the city. The banquet which presently was celebrated was, declared a reporter, in every respect superior to that in Lima on the recent New Year's Day—there were fewer guests and more time was available to do justice to it. As usual, toasts were numerous. Don Enrique's, appended to a speech of some length, ran: "Gentlemen, I drink to Arequipa and Puno; I drink to the proud Misti, which, more enduring than human aspirations, will witness the benefits of industry and power in the nineteenth century. *Señores, salud.*"<sup>1</sup>

At some time during the day, probably in the course of this "lunch," specimens of a medal commemorating the occasion were distributed. This medal was of the same dimensions and

<sup>1</sup> The materials for this narrative were drawn chiefly from an extended account of the inauguration which appeared in *El Comercio* on Feb. 5, 1870.

general style as that issued at the corresponding ceremony for the Oroya road. The pictorial portion depicts a locomotive with cars steaming across a bridge—presumably the bridge which was to be thrown across the Río Chili just outside Arequipa. El Misti dominates a cluster of peaks in the background. On the reverse are the names of all the prominent persons associated with contracting for, inaugurating, and building the railroad. The medal was cast in gold, silver, and bronze. Entries in one of the Meiggs Cash Books reveal the fact that the total sum spent for this item of the celebration—engraving, materials, cases—was S/12,484.57. The entire cost of the inauguration was S/12,983.22.<sup>2</sup>

Shortly after Meiggs's toast was drunk, the lunch and the celebration ended. The blessings of heaven and of earth, represented by the church and the local and national governments, had been pronounced upon the work, and it remained only for Don Enrique to get on with the job. This celebration might, in a sense, be thought of as a sort of rehearsal for the much greater and more elaborate one which was to be staged in the same locale at the beginning of January, a year later, on the completion of the Arequipa Railway, already described in some detail in Chapter VII.

Notwithstanding all this pomp, it was almost half a year before the actual work of construction was commenced. The ostensible reason advanced to explain the delay was the necessity of getting together from abroad the materials and implements which would be required in the preparation of roadbed and laying of track.<sup>3</sup> But it is probable that the actual reasons were different. One was the existence in Europe of unsettled conditions.<sup>4</sup> It is true that the Franco-Prussian War did not break out until mid-July, but a period of anxious anticipation preceded it. Furthermore, it would have been a more simple matter to supply the necessary labor if the initiation of actual work on the new road could have been delayed until the completion, or near-completion, of the Mollendo-Arequipa road.

<sup>2</sup> Meiggs Papers, Caja, Enero, 1870, a Agosto, 1871, p. 9.

<sup>3</sup> *El Comercio*, July 13, 1870.

<sup>4</sup> J. G. Meiggs to John Campbell, Oct. 10, 1870 (Meiggs Papers, Letter Book 1, p. 581); same to Edw. A. Jarvis, New York, Sept. 10, 1870 (*ibid.*, p. 547).

About the end of June, *La Bolsa*, Arequipa weekly, made the declaration that it "seemed that that work of such great hopes for our backward departments of the South, was beginning to fall into languor."<sup>5</sup>

Notwithstanding the existence of some good reasons for delay, internal Peruvian developments forced Don Enrique to action. One of the local railway projects that had been urged by interested parties was a line that would connect Tacna, in the interior at a considerable distance south of Mollendo, with the Bolivian frontier. The expectation—or at least the hope—of its proponents was that the Bolivian government would extend the road to La Paz. As the Puno road, presumably, looked toward eventual connection with La Paz by lake and Bolivian line, the proposed Tacna road, if built, might greatly affect the business of the Puno line. The influence of this consideration on Don Enrique's activities is clearly expressed in this paragraph of a letter which John G. wrote on June 27 to John L. Thorndike, chief engineer of both the Arequipa and the Arequipa-Puno roads:

Don Enrique requests me to say to you that it is a "political necessity" that the work on the Puno road should be commenced *at once*. He had discovered this since his return [from Chile] and feels very anxious that the work should go on without delay. The Tacna people are making great efforts to have the road from that city to the frontier built and proposals will be opened for that road, and the Moquegua & Ilo on the 7th July. As the time has already passed for the beginning of our work, and as some stir has already been created here about it [*sic*]. The Tacna people in order to push their own road might try to kill ours, and that is what we fear. Please therefore urge the thing along, and manage to have it noticed in the press that work has commenced "opposite Arequipa."<sup>6</sup>

John M. Campbell, construction superintendent of both roads, was instructed in a letter of the same date to take about two hundred men that could best be spared "and pitch in *at once* at Arequipa."

I should suppose that the Indians would be of the least use in the pres-

<sup>5</sup> Quoted by *El Comercio*, July 13, 1870.

<sup>6</sup> Meiggs Papers, Letter Book 1, pp. 368-369.

ent line [Mollendo-Arequipa], and as our object is simply to make a start to be ready for the meeting of the coming Congress we must take our chances.

I would not employ more men at present, unless you can obtain them at Arequipa. . . .

Commence on the other side of the River [Chili], *and let it be known.*<sup>7</sup>

The subordinates, able to appreciate a "political necessity" as well as Henry and John G., did not delay in carrying out their instructions. On July 20, John G. wrote Thorndike: "I am glad you have started in on the Arequipa [Puno] and also very glad that Dr. Polar planted the first spade [the silver shovel?]—Campbell writes that he opened some *beer* (Why didn't he make it wine?) on the occasion. All right however we are started."<sup>8</sup>

The operations appear actually to have been started on July 11 by the building of an encampment for the workmen who were put on the job. An Arequipa correspondent placed at three hundred the number of men working on that date and declared that three hundred more who were en route from the interior would be at work in the course of four days. Optimistically he prophesied that by the end of the month fifteen hundred would be employed and that this number would be augmented progressively.<sup>9</sup> These exaggerated figures were quite in line with John G.'s instructions to *let it be known* that work was commencing. That gentleman instructed Campbell as late as October 10 that until the war in Europe should be terminated it was not desirable "to increase the force on the Puno work to any great extent—Not over 1000 men at the outside until further notice."<sup>10</sup>

By the early months of the succeeding year the European situation had become somewhat stabilized and the tools, ties, rails, and other materials which had been ordered were on hand. Consequently, the work could be pushed ahead. In a letter to Campbell, dated June 9, 1871, John G. wrote:

<sup>7</sup> *Ibid.*, p. 364.

<sup>8</sup> *Ibid.*, p. 406.

<sup>9</sup> *El Comercio*, July 13, 1870.

<sup>10</sup> Meiggs Papers, Letter Book 1, p. 581.



"Peones Watson [of Santiago] writes me that he will continue to send them and I don't care how many you get, providing that we *divide*—I am as anxious as you are to pull through and 'Dust.'"<sup>11</sup>

Chileans constituted a much smaller percentage of the laborers on this road than on either of those already discussed. Bolivians in considerable number were used. The remainder were Peruvian Indians.

Aside from the disadvantages attendant on greater elevation and greater distance from the sea, the route of the Puno road presented fewer natural obstacles than had that of the Mollendo-Arequipa road. Except as to elevation, the same statement could be made in comparing it with the Oroya road. The highest embankment was 141 feet; the deepest cutting, 127 feet. There is but one short tunnel, and there are only four bridges, none of them, except the long bridge at Arequipa, to be compared in any sense with the Verrugas viaduct. However, where the summit is crossed—at Crucero Alto—the elevation above sea level is 14,660 feet.<sup>12</sup> There are few abrupt declivities such as were encountered in the Cahuintala canyon. For the most part, the 225 miles of the road circle the shoulders of mountains more or less smooth and run long distances across treeless, windswept *punas* that have a fairly gentle slope. A section known as the Lomas del Quisco presented some difficulty, and a great bridge of 1,580 feet was necessary (at any rate it was built) to span the Río Chili at Arequipa. But, in general, the story of this road's building lacks the dramatic element which is associated, for instance, with the building of the Verrugas and the Infiernillo bridges on the Oroya road and with blasting the difficult way through the Cahuintala and Huasamayo canyons on the Mollendo-Arequipa line. Even the drifting sands of the latter road lent to the story an interest greater than any associated with running the Puno road across the lonely *punas* with only an occasional condor or a group of long-necked, tan-colored vicuñas to witness the operations.

Except for less illness and less disorder, the condition of

<sup>11</sup> *Ibid.*, Letter Book 3, p. 428.

<sup>12</sup> Clements R. Markham, *A History of Peru* (Chicago, 1892), pp. 368-369.

the laborer was much as on the other lines. After the later months of 1872 the proportion of Chileans was less than formerly, their place being supplied by Bolivian and Peruvian Indians. Medical attention was provided by a staff which accompanied the rails in rolling hospitals. Work was begun on the Puno end of the line and pushed toward the crest in the direction of Arequipa simultaneously with the running of the grade from Arequipa upward.

On September 22, 1871, John G., in compliance with a request from the government for information on the state of the work on the lines being constructed by the Meiggs *empresa*, stated that locomotives were running on fifteen miles of this line and that eighty-five miles of grade were prepared to receive rails. Locomotives and rails were arriving continuously.<sup>13</sup> On the twenty-fifth of the following January the same official stated that 106 miles of the route were graded and that rails were already laid on a section of 28 miles. The Arequipa bridge would be completed before the end of the month. The laying of rails, said John G., would have to be suspended for some three months until work on the Lomas del Quisco should be finished. After that interruption the work should go on rapidly to completion. He had well-founded hopes that the finished road could be turned over to the government in twenty months from the date of his report.<sup>14</sup> |

Time proved John G. to have been oversanguine, for the first locomotive did not run to the station at Puno until January 1, 1874. A celebration of the event was staged, the train being received by commissions nominated by the department and provincial councils, and the band of the government ship *Callao* being present to furnish the festive music. There were speeches, it goes without saying.<sup>15</sup> The road, however, was not turned over to the national government ready for operation until the early part of 1876.<sup>16</sup> The cause of the delay was financial.

The projected Juliaca-Cuzco road was considered, and

<sup>13</sup> *Los Ferrocarriles del Perú*, I, 18.

<sup>14</sup> *Ibid.*, pp. 14-15.

<sup>15</sup> *El Comercio*, Jan. 13, 1874.

<sup>16</sup> Costa-Laurent, *Reseña Histórica de los Ferrocarriles del Perú*, p. 111.

properly so, an important section of the communication system which was designed to bring the populous South-Andean section of the country into contact with the exterior world. One could include coastal Peru in the expression "exterior world," for, owing to inconveniences in transportation, it was almost as truly external to the inhabitants of the Department of Cuzco as was Chile, or even Europe and the United States. Proponents of the South-Peruvian lines—Arequipa, Puno, and Cuzco—had argued for the three sections on the ground that in the departments of the same names lived one half of the population of the country.<sup>17</sup> This was an exaggerated claim, for the census of 1876 lists the combined population of those three departments at 655,331 in a total population of 2,699,945.<sup>18</sup> Nevertheless, it would seem that a mere fourth part of the country's population merited some consideration by the national government. The attitude of many of the people of that region is expressed and some reasons for listening to their pleas for railroads are suggested by a statement which Senator Orihuela made before the legislative body of which he was a member, in the course of a discussion of the railroad question in 1868:

Puno and Cuzco are two departments which have obtained very few of the favors of the governments which for a long time have disposed of great wealth: something like a thousand million pesos have disappeared from the year '44 to today without leaving in the country any other vestiges of their existence than great ruins to deplore: prodigious capital has been miserably consumed without having produced anything useful, anything beneficial to the country.<sup>19</sup>

It was such assertions as this, added to the urgings of Meiggs and other interested parties, which motivated the contracts with Don Enrique for the building of the Arequipa-Puno and the Juliaca-Cuzco lines.

Juliaca is located on the Arequipa-Puno road at a distance of about thirty miles from Puno. It was the logical point at

<sup>17</sup> Senator Orihuela, *Diario de los Debates, Cámara de Senadores*, Congreso de 1868, p. 595.

<sup>18</sup> *Resumen del Censo*, "Resumen General," after p. 846.

<sup>19</sup> *Diario de los Debates, Cámara de Senadores*, Congreso de 1868, p. 596.

which to begin the Cuzco road. The road which now connects Juliaca and Cuzco follows in general the route surveyed by Don Enrique's engineers. Starting at Juliaca at an elevation of 12,500 feet, it runs northwestward up the smooth *puna* to cross the divide and enter the Amazon drainage system at La Raya, at an elevation of slightly more than 14,000 feet. Thence it continues gradually downward to Cuzco. The entire distance from Juliaca is about 210 miles. There are no points on the line which presented special engineering problems.

Details concerning activities on this line are not numerous. Work was begun about midyear of 1872. Many Bolivian Indians were doubtless employed on the section nearer Lake Titicaca. On the Cuzco end the Peruvian Indian was used—and, apparently, abused. A communication published in the columns of *El Comercio*, signed "Cuzqueños," and dated August 1, 1872, contains unmeasured criticism of the manner in which laborers were being recruited for the road and of the treatment which they were receiving on the work. The writers charge that with the commencement of the grading, individual guarantees of the Indians disappeared completely. The making of a contract to work was not a matter of free choice on the part of the laborer—rather, the authorities furnished the men whom the contractor needed:

The public officials have converted themselves into agents of the *empresa*. Through inspectors, men are given an advance of 4 *reales* [40 cents], with orders to be on the line within three days. This period ended, they are sent under custody, and anyone who resists is thrown into jail when he can be had, and if not, his wife and children are persecuted. We have seen with astonishment that some Indians furnished were ransomed from the commissioners by means of gifts.<sup>20</sup>

The facts that have been noted concerning the treatment which the governing authorities accorded to Meiggs's Chilean laborers furnish ample ground for the belief that the Peruvian Indian was quite probably used in the manner described.

To allay surprise at this plain speaking, it should be ex-

<sup>20</sup> Aug. 23, 1872.



plained that at this time Meiggs was under attack from another quarter and that President Balta was retiring on August 2 to be succeeded by Manuel Pardo. Criticism of the doings of the Balta administration was safe and was decidedly in order.

In July, 1874, Don Enrique made an agreement with John L. Thorndike under the terms of which Thorndike was to complete this road from Juliaca to Marangani. This section constitutes something more than half of the line. Thorndike took over on August 1.<sup>21</sup> When all of Meiggs's railway-building operations, including the construction of this road, were suspended in 1875, the roadbed had been prepared to a total distance of 130 miles. However, no rails had been laid.<sup>22</sup>

A new contract which Meiggs made with the government in February, 1877, contained provisions for the completion of the Juliaca-Cuzco road. In actual fact, however, nothing was done toward finishing it during the few months of life which on that date yet remained to the contractor.

In all of his construction operations Meiggs found difficulty in securing capable men for the directing personnel, as well as skilful engineers and qualified doctors. The same statement can be made with respect to skilled laborers, such as carpenters and machinists. At times it was not so much a lack of actual applicants for posts or jobs as a lack of efficiency in performing the functions of the job in question. This point is perfectly illustrated by the content of a letter which John G. wrote Cilley in the early stage of the construction of the Pacas-mayo line:

*Carpenters* are very difficult to be obtained, and all of our roads are calling for them. . . . Out of over 20 who have applied and whom I have sent to Armstrong to work a few days before sending them to you or to Joe Hill, all have proved worthless. Foreigners arriving here broke will call themselves anything to get a job, and if they find we want carpenters, then they are carpenters, and all the same if it happens to be Masons.<sup>23</sup>

<sup>21</sup> John G. Meiggs to A. Scholefield (Arequipa), July 22, 1874 (Meiggs Papers, Letter Book 11, pp. 86-87).

<sup>22</sup> *Los Ferrocarriles del Perú*, II, 12.

<sup>23</sup> April 4, 1871 (Meiggs Papers, Letter Book 3, p. 80).

Even when capable men presented themselves and there was need of them, it was not always possible to employ them. John G., writing for Don Enrique, declared in a letter to a job-hunter: "My work comes direct from the Govt. and as each official connected therewith has numerous relations and friends, to whom I feel obliged to give the places of preferment, I find myself unable to find place for *my own* personal friends."<sup>24</sup>

Engineers who wrote Meiggs seem usually to have been encouraged to go to Peru. To one such applicant John G. wrote, after saying that he avoided bringing engineers under contract: "I can say however that a few *good* engineers who have had experience in *locating roads* would find employment here at fair salaries. We are paying from \$2000 to \$8000 and I can add that many private undertakings will require the services of Engineers to carry them out."<sup>25</sup>

The letters indicate that in the minor capacities engineers were ordinarily paid S/200 per month. The approximate salary, or wage, paid to men in other capacities ran: doctors, S/300 per month; first rate machinists, S/200 per month; carpenters, S/3.50 per day; stone masons, S/3.00 per day. The ordinary laborer earned from eighty cents to S/1.00 per day; a bit more if he fed himself. Wallace Stewart, a cash keeper for the Arequipa-Puno line, drew a salary of S/4,000, and Captain Samuel F. Kissam, who came down from New York to supervise Meiggs's shipping operations at Callao, drew a salary of like size.<sup>26</sup>

After 1873 persons who wrote asking employment or seeking information respecting business opportunities in Peru were discouraged from coming to the country. Writing to a man of the latter category in midyear of 1874, John G. informed him that business was almost paralyzed and added that one of the results of the bad economic situation had been the failure of some mercantile houses which had formerly been considered very strong. "The Railroads," said he, "with one exception,

<sup>24</sup> To G. P. Tupper (New York), March 13, 1870 (*ibid.*, Letter Book 1, p. 78).

<sup>25</sup> To E. C. Gillette (Elko), Aug. 22, 1870 (*ibid.*, p. 488).

<sup>26</sup> J. G. Meiggs to Kissam, Jan. 11, 1870 (*ibid.*, p. 3).

are going on, it is true, but at a snail's pace, and many of our best men are idle."<sup>27</sup>

Would-be employees were occasionally told that for success with the Meiggs *empresa* a thorough knowledge of the Spanish language was an essential. And more than once John G. asserted that Peru was not "a desirable country to live in."<sup>28</sup>

<sup>27</sup> To R. A. Babbage (Buenos Aires), May 12 (*ibid.*, Letter Book 10).

<sup>28</sup> To J. A. Cross (Williamsburg), Jan. 20, 1872 (*ibid.*, Letter Book 5, p. 440).

## XI

### THE ILO-MOQUEGUA, THE CHIMBOTE-HUARAZ, AND THE PACASMAYO ROADS

IT WILL BE recalled that Meiggs, in January, 1871—just before he inaugurated work on the Puno road—had taken over from the successful bidders, Devés Brothers, the contract for building a railway from Ilo to Moquegua. The former town, often called Pacocha on maps of the time, lies on the seacoast some fifty miles south of Mollendo and north of the limits of the Department of Tacna, now the southermost section of Peru. Moquegua, capital of the department of that name, lies inland and northeastward at a point sixty-three miles distant from Ilo, and some thousands of feet higher. The intervening region presented much fewer difficulties to the railway builder than did that which lies between Mollendo and Arequipa.

The inhabitants of the more southern region had seen with eyes of envy the commencement of work on the Arequipa road. They wished that the road to Puno might pass from the coast through Moquegua on its upward climb. In discussions of that "costly road" to Arequipa, such bitter questions as this were asked: "Is it possible that after the multiplied scenes of affliction, desolation, and blood which that headstrong town has occasioned the whole Republic in order to create today its exclusive aggrandizement, it will want to reduce to the most frightful misery its old co-departments, depriving them completely of their sole vitality, which is the commerce of Bolivia?"

These questioners declared that the same persons who had initiated the building of the "costly and unproductive" railway to Arequipa were striving "with surprising activity" to secure



the construction of a road up to Puno "as a recompense for the immense losses which the first division [the Arequipa Railway] offers and, perhaps, in order that another shower of gold for their pockets may be repeated."<sup>1</sup>

Such arguments as this and the spirit of localism of which it is an instance motivated the making of contracts for the construction of a number of Peru's railways in this period—among them that from Ilo to Moquegua.

Work on this short road was initiated with the customary ceremony—the laying of *la piedra fundamental* with speeches and a blessing, followed by a lunch and libations. The date of this particular celebration was February 14, 1871, the place was Ilo, and the "star" of the cast was the Minister of War and the Navy, Colonel Don Juan Francisco Balta. Don Enrique was not present but was officially represented by a member of the Chamber of Deputies from Moquegua, Dr. Don José Miguel Vélez. A government vessel, the *Chalaco*, had conveyed Balta to Ilo, while another such vessel, the *Unión*, had brought other eminents from near-by ports.

Immediately on the termination of the ceremony of laying the "fundamental stone" of the railway, the entire gathering watched the Minister lay the cornerstone of a church—under the protection, naturally, of San Juan—then adjourned to the spot where a lunch had been prepared. The places numbered 250. The usual toasts were, of course, not wanting.<sup>2</sup> It is worthy of note that Juan Francisco's candidacy as successor to his brother José was announced in the course of this banquet.<sup>3</sup>

The celebration was continued in the evening with a display of fireworks, "the first without doubt that the peaceable waters of the Bay of Pacocha had ever seen." It was so good, in the opinion of the reporter, as to merit the approbation even of those who had been accustomed to seeing fireworks "burned" at Lima.

The scale of this celebration was much smaller than that of the earlier ones. The sum expended by the government to defray the expenses of the President's representative and his

<sup>1</sup> "Tacneños y Moqueguanos," *El Comercio*, Sept. 29, 1869.

<sup>2</sup> *El Comercio*, Feb. 18, 1871. Speeches of Balta and others.

<sup>3</sup> *Ibid.*, Feb. 23, 1871.

party was but S/2,500.<sup>4</sup> If Don Enrique had a medal cast, specimens are so elusive as entirely to have escaped the eye of the writer.

Early in the morning of the following day the steamer *Supe* cast anchor in the bay. It bore some four to five hundred men who were to commence work on the line, along with tools for their use and food for their sustenance. They began work at once—and the Ilo-Moquegua line was under construction.<sup>5</sup>

The work, under the superintendency of Joseph B. Hill and with John L. Thorndike as chief engineer, went along rapidly; and its completion antedated by several months the dead line of August 30, 1873. By March, 1872, thirty-four miles of rail were down and the roadbed was well along on the greater part of the remainder of the road. The contractor was able on December 2, 1872, to notify the government that the line was ready for official inspection with a view to being turned over to the state.<sup>6</sup>

Despite—or perhaps because of—the speed with which the road was built, there was an unusual degree of complaint from persons through whose property it ran and also of criticism of the manner in which the work was executed.

One section of the road followed the valley of the Moquegua River, a rich, vine-growing region. There were decided differences of opinion between the representatives of Meiggs and the owners of *haciendas* respecting the damage done the property of the latter by the cutting through of the road. A group of those gentlemen wrote a long statement which was published in a Lima newspaper on January 11, 1872. They complained that Meiggs's engineers were damaging their properties unnecessarily and that in taking over ground for the right-of-way the correct legal forms were being ignored.

One of the *hacendados*, Manuel Velpatiño, censured Meiggs's procedure in a complaint which he made to a government official. Sr. Velpatiño declared that the line traversed five leagues of private property and that expropriation proceedings respecting the properties concerned had been dragging

<sup>4</sup> *Los Ferrocarriles del Perú*, I, 332-333.

<sup>5</sup> *El Comercio*, Feb. 18, 1871.

<sup>6</sup> *Los Ferrocarriles del Perú*, I, 333.

along for more than a year previous to November 29, 1872, the date of his statement. The road was nevertheless built, and on the eve of its completion Meiggs's representative had made him a definite proposal of indemnification. Sr. Velpatiño's representative had not found the terms acceptable. Early in the previous May, averred the complainant, without waiting for an adjustment to be made, operations had been commenced on his estate—fruit trees cut down or injured, ditches opened, and so on—causing great damage. The accusation was made that Meiggs would not have proceeded in this arbitrary manner unless he had been assured of support "in the upper regions of power." Nor would the complainant have permitted it had he not been convinced that such was the case. "There is no means," asserted Sr. Velpatiño, "of justifying this governmental procedure so vexatious to the majority of the *hacendados* of Moquegua. The procedure reveals a decided intention of protection and partiality."<sup>7</sup> (The fact must again be noted that President Balta had retired from office before this complaint was made.)

No one who has studied this subject can deny that Don Enrique had the positive support of the national officials in cases where he came into conflict with private interests in the construction of the railways entrusted to him. This fact can cause little surprise when it is remembered that Peruvian governments of the period were eminently arbitrary respecting private rights, even though such rights were expressly guaranteed by a written constitution.

Whether because of a desire for revenge for such matters as that just mentioned or because there actually were decided irregularities in the construction of the road, it was in connection with this short and relatively unimportant line that Don Enrique was compelled to sustain the strongest attack made in Peru on himself and his work. The person who led this attack was Don Tomás Emilio Dávila, a young Peruvian of a family of some standing which had property interests in the Moquegua Valley.

At the end of April, 1871, Dávila had been taken into

<sup>7</sup> *El Comercio*, Dec. 2, 1872.

Meiggs's employ in the capacity of an engineer on the Ilo-Moquegua line. The story of his "engineering" activities which follows is from a report made to Don Enrique by Emilio Vallarino, engineer in charge of operations at the time. A few days after his arrival at the laboring camp, inland twenty-five miles from Ilo, Dávila, in Vallarino's absence at Ilo, took a horse which belonged to the *empresa* and, without permission, went up to Moquegua. He spent a month there. Dávila declared afterward that the motive for the trip was to cure himself of *tertiana*, a type of malaria. Vallarino, however, asserted that Dávila was quite well while he was in the camp. "As to whether he became ill as a consequence of the trip," he could not say. But he declared that Dávila left the camp "with the exclusive object of taking a pleasure trip" and that when he returned, the horse which he had ridden was in such bad condition that it had to have three months for recuperation before it was again fit for service.<sup>8</sup>

Vallarino, acting, as he said, under instructions of John L. Thorndike, refused payment of salary to Dávila for the month which he had spent in Moquegua. Nor was Dávila given another horse. He was told that he could buy one or else wait until the one which he had used was again fit for riding. Furthermore, he was paid but S/200 per month, whereas he declared he had been promised S/250. Decidedly, Dávila did not get on with his superiors. From a reference to his "respected friend Colonel Don Juan F. Balta" which he made in a letter to Don Enrique, one is led to suspect that he was trusting his connection with highly placed persons to save him from discharge for insubordination. He remained in Meiggs's employ until the end of November, making, according to Vallarino, two more *paseos* of fifteen and twenty days respectively, to Moquegua, without permission or advance notice, and at times when the camp was about to be moved. On November 28, on Dávila's own statement, he quit the job.

On the same day he wrote a letter to Don Enrique in which he notified him that, learning that the Ilo-Moquegua road was to pass through his own *hacienda* and one that be-

<sup>8</sup> Jan. 28, 1872 (*El Comercio*, Oct. 8, 1872).



longed to a sister-in-law, he had empowered one Eugenio Plazolles, engineer, to treat with Meiggs respecting the land rights.<sup>9</sup> Plazolles presented this letter along with a lengthy one signed by himself.

The Plazolles letter is a curious document. The first half of it makes no reference to damage to the *haciendas* in question, but sets out in considerable detail those respects in which that part of the Ilo-Moquegua road already constructed violated the specifications of the contract under which it was being built. These charges deserve a summary:

1. The wharf at Ilo, "as any competent person could easily note," would not last very long. Most of the columns supporting it were not vertical and Plazolles himself had noticed that the inclination of many of them had been increased by the heavy seas of the Christmas season. Several other defects of the wharf were catalogued.

2. The specifications concerning the road had provided that the maximum grade should be 3 per cent on curves of less than 300 meters radius and 4 per cent on straightaways. The minimum radius of curves should be 200 meters, though in exceptional cases this might be reduced to 106 meters. Plazolles charged that on the road there were curves of 106 meters radius and even less; also that because of "an exaggerated concern for economy at all costs," the 4 per cent grade provision had been violated at the expense of safety: there were curves of less than 300 meters on grades of more than 3 per cent. There were many curves with dangerous countercurves and "many without any apparent use." He predicted that there would be many derailings.

3. As to slopes—of the fills, that is—they did not have the proper inclinations. As to ballast, there was none.

4. These violations of the contract, declared Plazolles, were possible because Gerrit Backus, the state's inspecting engineer, did not comply with his duty, inspected nothing. Backus had defied any competent person to show any place where the *empresa* had disregarded the letter or the spirit of the contract. Plazolles was prepared to show him.

<sup>9</sup> *Ibid.*

5. The railway had been contracted for in the sum of S/5,000,000 hard money, and it was not a matter of indifference to the people of Moquegua that they should have a road of poor quality, built for much less than that amount.

In fact I do not believe it is necessary even to unfold the detailed estimate of the work which is being constructed in order to demonstrate that the railroad from Ilo to Moquegua, such as is being built, will not cost, with all of its fixed and rolling stock and other general expenses, above two million *soles*! And it will be easily admitted when it is known that in place of five million cubic meters in the grading which is indicated by the estimate of Engineer Guido de Vignau, the whole will not amount actually to 400,000 meters, *thirteen or fourteen times* less than that estimated!

6. Respecting land expropriation, it was calculated that the *empresa* must purchase 200,000 square meters, for which the proprietors were asking five *soles* per meter. The *empresa* could quite well pay this when it was anticipated that the gain on the five-million-*soles* job would be "at least two millions!"

As to Dávila's *hacienda*, Plazolles declared that the running of the railway through it would ruin it for future agricultural working. Therefore, he suggested that Meiggs buy it outright. It was excellently situated for use as a workshop and storage center. Its value was S/240,000!<sup>10</sup>

Not until January 10 following did Dávila write Meiggs the letter in which he announced that he had quit the line and made complaint of Vallarino's treatment of him.

Receiving no satisfaction from the contractor, Dávila denounced him publicly for his alleged departure from the terms of his contract. Thereupon others took up the matter. As early as February 2, 1872, a correspondent from Moquegua who subscribed himself "Pompilio" wrote to the editors of *El Comercio* a long letter in which he asserted that, though it *could* be a model road among those which were being constructed (no less than five were at the moment under construction by Don Enrique), it was "precisely the one traced with least conscience and constructed with the most defects." The general opinion among the people of Moquegua, the writer

<sup>10</sup> *Ibid.*

asserted, supported the charges which Dávila had made. The lives and interest of those people were at the moment subject to the arbitrary will of "speculators and adventuresome foreigners." The government would do well if it should oblige the contractor to better the route and the work on the line, and appoint inspecting engineers who would inspire confidence in the country "by their honesty, intelligence, and patriotism." This was another slap at Backus. "Pompilio" congratulated Dávila for his denunciation of Meiggs's shortcomings and referred to the "so much enthusiasm" which his action had aroused in Moquegua.<sup>11</sup>

Other correspondents of *El Comercio*, in the issues of March 21 and April 9, repeated the charges indicated above and demanded that the government appoint a commission charged with making a thorough examination of the trace of the line and the quality of the work already done on it. Even foreign newspapers noticed the subject. The *European Mail* of March 3 carried an article on Peru's railroads in which occurs the sentence: "Peru has certainly not been blessed with even ordinary engineering skill." A Peruvian paper which was very friendly to Don Enrique printed the article in order to refute it.<sup>12</sup> All in all, quite a swarm of hornets, most of them of the Moquegua stripe, were buzzing about the blond, leonine head of Henry Meiggs.

The affair reached a climax toward the end of 1872—as the railway approached its terminus. On September 20 Dávila gave to the press in Lima a communication which he had addressed to the Chamber of Deputies. In this document he proposed to demonstrate that in the construction of the road the treasury had been defrauded of almost S/2,000,000, asked that a judgment in the matter be arranged, and that he be awarded a third of the amount which he denounced.

Meiggs could no longer refuse to give the charges some public attention. He directed to the presiding officer of the Chamber of Deputies a communication in which he charged that Dávila, in approaching that body rather than the judicial

<sup>11</sup> *El Comercio*, March 4, 1872.

<sup>12</sup> *Callao and Lima Gazette*, April 11, 1872.

authority, had proceeded contrary to the law regulating such matters. He asserted that Dávila's intention was merely to calumniate him before the nation and the legislative body. He promised that he would present to the Chamber an exposition on the matters involved in the charges and asked that body to suspend action on the denunciation until he should have had time to prepare his reply. The nation and the Chamber would see that he was not unworthy of the confidence which the government had placed in him when it charged him with the construction of the republic's most important works.<sup>13</sup>

Meiggs did not lack his defenders in the press, generally anonymous, as was customary. On September 26 one such stated that in times past he had observed the weapon with which rogues were accustomed to attack the pocket of "a gentleman so distinguished, so honored, and so justly beloved as the philanthropist Sr. Meiggs." He admitted that the procedure of Dávila *might* be patriotic and disinterested, but the decided implication was that "X" believed that the contrary was actually the case. He ran on with much more about the big heart and the great charities of Mr. Meiggs.<sup>14</sup> On October 7 in the same columns "Peruanos" wrote at length to much the same effect.

The exposition which Don Enrique had promised bears the date of October 7. The document was impressive in length if not particularly in argument, for, though printed in medium-small type, it filled two pages in *El Comercio's* issue of October 8. After summarizing Dávila's charges under three heads, Meiggs answered them. He quoted numerous documents and succeeded thereby in giving his exposition a convincing air, but it is hard to understand how the falsity of Dávila's charges could have been proved without actual examination of the works, and there is in this exposition no suggestion that a competent commission be formed to make such examination. Meiggs weakened his case—with the reader of today at any rate—by publishing at the conclusion of his argument the correspondence which he had had with Dávila and Plazolles. He presented those letters as tending to prove that Dávila had been actuated by personal rather than patriotic motives. It

<sup>13</sup> *El Comercio*, Sept. 21, 1872.

<sup>14</sup> *El Comercio*.



would seem that engineering facts, if they be facts, should be able to stand alone, quite unsupported by personal considerations.

Four days after Meiggs's exposition was published, Dávila announced to the editors of *El Comercio* that he would answer within a few days "the contradictory exposition of Mr. Meiggs so long awaited," and that in his reply he would separate "the essential part" from "the personal part."<sup>15</sup> Careful search in the files of *El Comercio* has failed to uncover the promised reply. Apparently it was not written; or, if so, it was not published.

The denunciation and reclamation which Dávila made to the Chamber of Deputies was referred to the judicial committee. The committee reported that such matters did not come within the province of the legislative department; they should rather be attended to by the executive, whose responsibility it was to exact compliance with its contracts. The denunciation was then referred to the principal committee on finances which, after considering Dávila's charges and Meiggs's reply, upheld the report of the judicial committee. There was some discussion of the division of functions among the various departments of the government. The belief was expressed that this was a matter for the courts. But since, under the constitution, the legislative body could have no direct dealings with the courts, the correct procedure of the Chamber was to refer the matter to the president, who, if he saw fit to do so, could initiate a court action. The report of the original committee was upheld.<sup>16</sup> The Chamber thereby passed the problem to the executive, washed its hands of it—and probably emitted a collective sigh of relief. It was not conducive to the good health of its members for a legislative body to interfere with executive affairs, whether in the presidency of Balta or Pardo.

At this date, and faced with conflicting testimony, it is difficult, if not impossible, to render a positive judgment in this controversy. Was Dávila merely a disgruntled young

<sup>15</sup> *El Comercio*, Oct. 12, 1872.

<sup>16</sup> *Diario de los Debates, Cámara de Diputados*, Congreso ordinario de 1872, pp. 266-268.

man, determined to "get even" for real or fancied wrongs, supported by others who hoped to derive some profit from the situation? Or was Meiggs, in actual fact, disregarding certain provisions of his contract in order to increase his profits? There are letters among the Meiggs Papers which arouse a strong suspicion that the latter might well have been the case. For instance, consider these sentences of a letter which John G. Meiggs wrote to Thorndike on May 17, 1871, several months before Dávila made his charges: "The present Minister is acting badly. He signed a decree permitting reduction in roadway for Ilo road, *but* providing for a valuation to be made for reduced cost in order to deduct from our contract. This of course dont suit us. I fear we shall not be able to alter the stations either except with same conditions."<sup>17</sup>

"Acting badly"? And if the width of the roadbed were reduced from the original contractual provision and the cost of the right-of-way to the contractor thus lessened, why should there not be, in all fairness and honesty, a corresponding reduction in the sum paid for the work? But notice, "*This of course dont suit us.*" And, apparently, stations were to be built that would depart in some respects from the specifications originally agreed upon. Here too, if money were saved, it was feared the minister would insist that the state profit from the economy.

Three weeks after he had written the letter last quoted from, John G. wrote one to J. B. Hill in which another reference is made to the roadbed: "*Change of Road Bed* As I said before, this has been referred to the Engineers to estimate the reduction to be made. I hardly know what to say, but I think we can get a cheaper thing from the Engineers than the cost of extra width, and perhaps when Don Enrique returns he may be able to upset the Minister, who by the by is *awful* to manage."<sup>18</sup>

And three days later to the same person: "*Road Bed* I will do the best I can for our mutual interests, and think that when Don Enrique returns it can be *fixed*."<sup>19</sup> (The italics are John

<sup>17</sup> Letter Book 3, pp. 314-315.

<sup>18</sup> June 3, 1871 (*ibid.*, p. 401).

<sup>19</sup> *Ibid.*, p. 438.

G.'s). If the minister insists on being in truth an honest public servant, "upset him." If he makes protests against departures from contract specifications, "fix" matters.

Consider these words from another of John G.'s letters, likewise directed to Hill: "I enclose herewith a copy of the decree dispatched by the Minister for the change of station at Moquegua. You should not let God, Man or Devil know anything about it, until you secure the land, (*which should be done at once*) and work commenced also at once as petitions are sure to come against the location. I shall expect nothing less than a 'seven carat' for this operation when we all get in 'Dixie Land.'"<sup>20</sup> The tone of exultation which is apparent in the last sentence suggests that something very good indeed had been "put across." The data which would explain just what it was have not been uncovered.

Two months later John G. wrote in another letter to Hill—it was marked "Private": "In reply to your favor of 27 Dec. I can only say that the decree I sent you regarding change of line will have to be followed, with the exception of the curve to avoid the long embankment *which Dn Enrique told Vellurino [Vallarino] to make saying nothing about it to any one.*"<sup>21</sup>

Here certainly is a case where official instructions were expressly ignored and where the type of economy of which Plazolles wrote was practiced. If these letters reveal anything, they disclose the fact that the contractor was out to make a profit—as large a one as possible and without squeamishness concerning the manner of its making. Doubtless, however, for the purpose of enabling the Great Philanthropist to do more good for his suffering fellow-men!

Throughout, a decided atmosphere of skulduggery is associated with the building of this railway. All of it, of course, is not justly attributable to Henry Meiggs and his chief lieutenant. Why, for instance, did the Ilo-Moquegua Railway not run to Moquegua? The following letter and later maps<sup>22</sup>

<sup>20</sup> Nov. 8, 1871 (*ibid.*, Letter Book 5, p. 87).

<sup>21</sup> Jan. 5, 1872 (*ibid.*, p. 338). Italics mine.

<sup>22</sup> Costa-Laurent, *Reseña Histórica, etc.*, map following p. 207.

reveal the fact that it did not, and at the same time arouse serious questions concerning the motives of certain highly placed Peruvians. It is again John G. writing to Hill:

I am very sorry to inform you that the Govt (i e) *the President* [Balta] has revoked the decree regarding the station at Moquegua and orders the line to go by the original plan, a copy of which I enclose for your guidance. An immense pressure was brought to bear upon the President and a deputation headed by Juan Franco [Balta]. Balta told Backus that he wanted to *force* the inhabitants to change at once, and consequently as you will see by the line, Moquegua is left *entirely out* being two miles at least from the road at the bridge crossing. This will undoubtedly cause another "howl" from those who *dont want the* line to Alto [*sic*] Villa. If you have bought the land for the station at Moquegua, hang on to it, but stop all work, and run your line to conform as nearly as may be to the copy enclosed, and if possible, to shut out Moquegua, do so—<sup>23</sup>

Whatever the truth concerning construction, it is a fact that the government inspector, Backus, certified to the excellence of the job.<sup>24</sup> However, it is equally a fact that the Central Engineering Commission of Peru, on examining at the request of the government—Balta had been replaced by Pardo—the plans and drawings used in the construction of the railway and comparing them with the preliminary study made by Guido de Vignau, on the basis of which the contract was drawn, found "some contradictions." In some cases grades were considerably greater than the specifications allowed. The commission even discovered that some changes had been drawn into the Guido de Vignau plans.<sup>25</sup> Perhaps the request to the commission to make this comparison was a gesture on the part of the executive in response to the action of the legislative body. If so, it was merely a gesture, for nothing was done about it.

Shortly after it had received John G. Meiggs's letter of early December referred to above, stating that the road was ready to be delivered to the nation, the government appointed a three-man commission to receive it. The commission's personnel consisted of Narciso Alayza, Fabricio Cáceres, and

<sup>23</sup> Dec. 16, 1871 (Meiggs Papers, Letter Book 5, pp. 230-231).

<sup>24</sup> *Los Ferrocarriles del Perú*, I, 334-335.

<sup>25</sup> *Ibid.*, p. 335.



Eduardo Habich, an engineer. Its report, made after a three-day examination of the road, and dated January 31, 1873, expressed approval of the work with the sole exception of the wharf at Ilo, which was found to have serious defects. (It will be recalled that Plazolles, too, had made this criticism.) The report made reference to the dissatisfaction observed at Moquegua among property owners who felt that they had been injured. Habich made a separate report in his capacity as the only engineer of the group. He took occasion to criticize severely the plan of Guido de Vignau and justified the departures from it which had been made in the building of the line. His final judgment, in conformity with that of his colleagues, was that the contractor had complied satisfactorily with all of his obligations in the construction of the railway.<sup>26</sup>

Consequently, on February 2, 1873, the Minister of Government, Police, and Public Works decreed the acceptance of the road with the condition that the mole at Ilo be made to conform to stipulations.<sup>27</sup> On the twenty-eighth of March it was opened to the public.

The story of the construction of this ill-fated road deserves a postscript. In the course of a revolution, led by Piérola, former Minister of the Treasury, which occurred in 1874, much of the line was destroyed and its engines and rolling stock made useless. On the re-establishment of order, light repairs were made and it was again opened to traffic. It was leased to an individual at the annual rental of S/28,000, but he shortly failed and the government resumed the task of operating the road. Income was low and the road rapidly deteriorated in respect to both roadbed and rolling stock.<sup>28</sup> In 1880 an incident of the War of the Pacific was the complete destruction of the road by the Chilean Army. The work of rebuilding was not begun until 1907.<sup>29</sup>

Late in 1871 Meiggs took over a contract for the building

<sup>26</sup> For full text of reports of the commission and of Habich, see *ibid.*, I, 336-344.

<sup>27</sup> *Ibid.*, pp. 346-347.

<sup>28</sup> *Diario de los Debates, Cámara de Diputados*, Congreso ordinario de 1878, II, 225.

<sup>29</sup> Costa-Laurent, *Reseña Histórica*, etc., p. 206.

of a narrow-gauge railway from Chimbote, on the coast, to Huaraz, capital of the Department of Ancachs, place of President Balta's origin.

When, under Diez Canseco, the contract was signed for the Arequipa road and the Puno and other roads in southern Peru were being considered, those interested in railways for the northern section of the country became alarmed and began protesting the government's partiality for the South.<sup>30</sup> It was not long after Balta's accession to office before plans for railways in the North were being discussed. The Chimbote-Huaraz was one of these. The narrow gauge was adopted in response to the criticism that bids for a standard-gauge road were so high that the railway, considering the nature of the region it was to serve, would be uneconomical.<sup>31</sup>

The beginning of work was celebrated on February 12, 1872. Apparently, on each succeeding celebration of this sort the *empresa* spent less money. Perhaps it was felt that since the contractor had all the business he could attend to, it was less essential to make a big impression and arouse the enthusiasm of the public. It is easily seen from the content of that letter that John G. wrote to A. A. Locke concerning it that this one was regarded quite casually:

The inauguration of your road will take place (officially) on the 12th Feby. and the Prefect of the Department Sr. Dr. Nicanor Gonzales, will represent the Govmt. and Dn Enrique on the occasion. It will be necessary to prepare a place for a "banquet" for 100 persons—Perhaps it would be well to make it for 150—All you will have to do, will be to make an enclosure, & *tables*. If you have not sufficient Crudo [rough boards] please telegraph we have much to send. Mr. Hernandez will go down, one week from today to attend to all matters pertaining to the banquet Seats of course will be required. They may be made of wood as I dont think it will pay us to send chairs.<sup>32</sup>

This casualness, when translated into action, did not pass unnoticed. The correspondent of *El Comercio*, in his report of the event, wrote:

<sup>30</sup> See *El Nacional*, June 13, 1868.

<sup>31</sup> *Ibid.*, Sept. 15 and Oct. 3, 1871.

<sup>32</sup> Jan. 25, 1872 (Meiggs Papers, Letter Book 5, p. 465).

There was noticeably a lack of President and Ministers; of a steamer which should have carried the curious or interested persons who wanted to attend the *fiesta*; a lack, finally, even of a band of music to solemnize the act. As if the Government should have regarded as small a work so colossal; as if through the multiplication of *fiestas* of this sort, it had been fatigued by them; or as if the elections and politics should have completely absolved it [from interest in this celebration].<sup>33</sup>

No archbishop or bishop blessed the inscribed first stone in this case. That office was performed by a simple village priest. Even the customary "lunch" was open to criticism. Though it was "good and comfortable," it left something to be desired, "since the lack of ices made itself felt, the snow which is so appetizing in sandy wastes."

Difficulties were encountered in building this road, though in less degree, as far as natural causes were concerned, than with the Oroya. Chimbote was in a desert where there was neither water nor forage for animals nor food of any sort. All had to be imported and a temporary wharf had to be constructed before they could be landed.<sup>34</sup>

The greater part of the labor was performed by Chinese. Much of John G.'s correspondence with Locke, the superintendent, concerned these men—rice for their food, their addiction to opium, the manner in which they should be treated.<sup>35</sup>

Already, when work on this road was begun, financial troubles were embarrassing Don Enrique's operations. For this and other reasons the work proceeded slowly. So slowly, in fact, that when the general suspension of operations took place in 1875, only about fifty-two miles of rails had been laid and run by locomotives. The grade was prepared on seventy-two miles.<sup>36</sup> Presumably, by that time or shortly afterward, the line from Chimbote as far as Tablones, about thirty-five miles, was open to traffic.

<sup>33</sup> Feb. 19, 1872.

<sup>34</sup> Memoria del Ministro de Gobierno, Policía y Obras Públicas, "Ferrocarril de Chimbote á Huaraz y Recuay," *Documentos Parlamentarios*, 1872, I (not paged).

<sup>35</sup> See letters of Jan. 22, 1872 (Meiggs Papers, Letter Book 5, p. 447); Dec. 30, 1872 (*ibid.*, Letter Book 8, p. 269); and Jan. 1, 1873 (*ibid.*, p. 280).

<sup>36</sup> "Memoria de Obras Públicas presentada al Congreso de 1876," *Los Ferrocarriles del Perú*, I, 928.

To complete this sketch of Meiggs's railway-building activities, something must be said of the road that was built inland from Pacasmayo. This port town in northern Peru is about one hundred miles north of Trujillo and is the nearest port to Cajamarca, an important city of the region, which lies about 120 miles inland. (Cajamarca is the city where Francisco Pizarro captured the Inca, Atahualpa.) Don Enrique's contracts, made or acquired late in 1870, provided for the construction of a road about twenty-six miles long that would connect Pacasmayo with Guadalupe and for another which, departing from the former at Calasñique, would run inland and upward to Magdalena, a town near Cajamarca. The second line would follow in much of its length the valley of the Jequetepeque River. The length of the two lines totaled 146 kilometers, or about 90 miles.

Operations were begun early in 1871. No record of a gala inaugural ceremony has been found, but it is highly probable that there was one. William H. Cilley, who became one of Meiggs's leading lieutenants, was induced to come down from the United States to take the superintendency of the roads at the handsome salary of \$6,000.<sup>37</sup> The man next in rank was G. B. Maynadier.

Some difficulty with bridges was encountered on these lines. Respecting that one which was necessary for the Guadalupe road, John G. wrote to Maynadier: "I hope you will still be able to find a resting place for the Bridge somewhere, so that it can be less than a hundred miles wide."<sup>38</sup> A bridge of the Magdalena line at Pai-Pai broke down and occasioned considerable expense.<sup>39</sup> This was one of the reasons for John G.'s decided preference for American bridgework over English and French.

There was much illness among the workmen here in 1871. Concerning this subject, John G. wrote Maynadier: "*Sickness* seems to be the *rule* on all our roads Except the Ilo, where it ought to be according to common rumor always." Much of

<sup>37</sup> J. G. Meiggs to John Campbell, July 25, 1870 (Meiggs Papers, Letter Book 1, pp. 432-433).

<sup>38</sup> April 4, 1871 (*ibid.*, Letter Book 3, p. 78).

<sup>39</sup> Sept. 4, 1873 (*ibid.*, Letter Book 9, p. 527).



the illness was ascribed to "Wine and Rum drinking."<sup>40</sup> No reference to disorders among the men has been found.

The superintendent had difficulty in keeping his labor crews at the desired number. Complaint was made to John G. that other roads and the army were taking men away. He replied:

It is nothing new for men to leave one road for another, and while I regret that you have lost so many, I hardly think any one is offering inducements to them to do so.

According to our contracts, the Soldiers have no right to take any of our men, except in time of war with a foreign country or deserters. If such means as you can use for their recovery fail, I will make application to the Government here, but prefer that you get them back if possible. . . .

P. S. I may add that it *cannot* be that any one is taking your men away for Chimbote as there is nothing for them to do if they go.<sup>41</sup>

The usual favors had to be granted politicians, sometimes at considerable cost. The Pacasmayo-Guadalupe line *had to* pass certain *haciendas*, one of them being "Lurifico," which belonged to President Balta, even though a detour was necessary to make it do so.<sup>42</sup> Perhaps such matters explain a passage of one of John G.'s letters to Cilley:

I am very glad you "reconsidered" the idea of writing a long letter on certain points.—I fully realize your difficulties, and know *just* what you would have written, but in God's name!!—Spare *me*. The troubles that I know are in your way would have been avoided if I had had my own way, but Don Enrique thought himself under obligations to a certain (Gentleman?) and the consequences we all feel. But please be patient, and remember that your sufferings are only a small part of what I experience from similar causes.<sup>43</sup>

Concerning one Egusquiza, John G. wrote Cilley: "Although we are under no obligation to this old *bummer*, I would recommend that you arrange to pay him a salary. He is a

<sup>40</sup> April 4 (*ibid.*, Letter Book 3, p. 78).

<sup>41</sup> Jan. 30, 1872 (*ibid.*, Letter Book 5, 475).

<sup>42</sup> John G. to Cilley, May 9, 1871 (*ibid.*, Letter Book 3, pp. 248-249).

<sup>43</sup> April 11, 1871 (*ibid.*, p. 110).

compadre [friend] of the President and a friend of Don Enrique and has been of assistance to us."<sup>44</sup>

Despite difficulties, work went along with some degree of rapidity. The Minister of Government, Police, and Public Works, in his report to Congress in 1872, stated that the road was greatly advanced and would be turned over for public traffic much earlier than the time set for its completion, September 14, 1873, as the contractor had offered to finish it in the current year.<sup>45</sup> It seems not to have been put at the disposal of the public, however, until July, 1874. So says the Peruvian, Costa-Laurent.<sup>46</sup>

Like the Ilo-Moquegua line, this one, too, suffered ill fortune. In 1877 heavy rains in the Andes and the consequent flood waters of the Jequetepeque destroyed a lengthy section of the Calasñaque-Magdalena branch.<sup>47</sup>

So much for the building of some seven hundred miles of Peruvian railways. The work, in so far as it was completed, was done usually in the face of great difficulties, both natural and human. Labor was hard to get, and the men were not always given the decent treatment which was due them. There can be little doubt that the terms of the contracts were such that, all things being equal, Meiggs would have made a handsome profit, even if sharp practices had not been resorted to to increase it. There is small room for questioning the assertion often encountered that many Peruvians made use of these operations to line their pockets in a substantial fashion. As to the economic effects of the railways, that is another story. But let it be said here that they were immensely inferior to what Peruvian prophets and Meiggs had led the people of the country to expect.

<sup>44</sup> June 6, 1871 (*ibid.*, pp. 413-414).

<sup>45</sup> "1a. y 2a. Sección del Ferrocarril de Cajamarca," Memoria del Ministro de Gobierno, Policía y Obras Públicas, *Documentos Parlamentarios*, 1872, I (not paged).

<sup>46</sup> *Reseña Histórica*, etc., p. 32.

<sup>47</sup> *Ibid.*

## XII

### MISCELLANEOUS BUSINESS ACTIVITIES

HENRY MEIGGS had a voracious appetite for profits, and it was not exercised solely in the building of railways. Wherever a possibility of gain presented itself or could be uncovered, there Don Enrique was active. Land speculation, street building and paving, the leasing and operation of railways, the uncovering of mineral deposits of various kinds, the building of irrigation works, the construction of public and private buildings, even the buying and selling of firearms and ammunition—all of these activities were engaged in, and others more extensive and more ambitious were considered, in his avid pursuit of gold.

Carried away by the force of his imagination, or wishing to impress the investing public, Peruvian and otherwise, Meiggs professed to see the day—and that not too distant—when Lima would be a city of five million souls or more and enjoy the position of metropolis of the Pacific. In the office of a prominent attorney of Lima hangs a map inscribed “Plan for the City of Lima, drawn at the order of D. Enrique Meiggs,” and dated 1876. The dimensions of the map are some six by three feet. It represents a future city of Lima which extends continuously from the Lima of that day to the seacoast at Callao, Magdalena, and Chorrillos. As the distance to Callao from Lima is some seven miles and to Chorrillos at least as much (though intervening points on the coast are somewhat nearer), it is readily seen that the Lima of Meiggs’s imagination was anything but modest. This view of what the future held for Peru’s capital appears the more remarkable when it is noted that the population of the city and its suburbs

in 1876 was officially placed at only 117,703.<sup>1</sup> No native Peruvian, drunk with his golden dream of the metamorphosis of his country by a network of railways, could have bested Henry Meiggs in a contest of imaginations.

Meiggs was an inveterate gambler in real estate. He was not slow in Peru in purchasing a goodly supply of chips and getting into the game. By May, 1870, he had acquired possession of all the land through which the railway he was building would pass between Callao and Lima. It was part of this land, incidentally, that constituted his country estate of Villagas. He became the owner, besides, of many pieces of real estate in and about the cities of Lima and Callao. This point is sufficiently established by a glance through the Meiggs Papers, where are to be found numerous mortgages made on this and that piece of real estate.

Much of this land was bought and sold in the name of a family company which he called "Meiggs and Sons." In the boom period which preceded the financial crisis of the mid-seventies, it appears that considerable profits were made from land dealings. In a letter which Don Enrique wrote on December 8, 1873, to his son Manfred, he stated that during the preceding week he had sold one hundred thousand dollars worth of land. In the same letter he wrote:

I am commencing to sell the *Vireina* which belongs to Meiggs y hijos [Meiggs and Sons], say 8000 & odd varas at 3 soles.

You will remember that it cost us less than one sol.

Not bad— All the rest will . . . average two soles each & will sell in less than one year.

What negocio could be better

*None*— So keep cool & be content with your position and your business.<sup>2</sup>

Meiggs's lack of good judgment respecting Peru's future—one reason, it is probable, for his plunging in real estate—is proved by another statement of this letter: "*Revolution*—

<sup>1</sup> *Estadística de la Población Flotante de Lima en 1878* (Lima, 1879), p. v. The *Resumen del Censo de 1876* (p. 249) gives the population of Lima proper as 101,488.

<sup>2</sup> Valle-Riestra Family Papers.



Tonteria [nonsense]. We shall *never* have another successful one *Sure . . .*" One who could be so completely mistaken respecting Peru's political future could go equally far astray in predicting its economic future. It is, then, not surprising to note that this wealth in real estate (perhaps largely fictitious from the beginning) melted away by the mortgage route with the deepening financial crisis which coincided with Don Enrique's last years.

A feature of Meiggs's real-estate activities was his purchase of the ground which was encumbered by the ruined walls of the old city. These walls, some seven miles in length as they enclosed the city on the left bank of the Rímac, had been built in the 1680's as a consequence of the piratical activities on the coast of enemies of Spain. Broken in many places by the earthquake of 1746, they had been but partially restored and had fallen into ruins. Here and there great breaches had been made for the erection of public buildings. The National Penitentiary, constructed by Dictator Ramón Castilla in the 1860's, and the building which was erected in 1869-1870 to house the National Exposition<sup>3</sup> are two such buildings.

The walls, outmoded with the passage of time and with political changes, interfered with the extension of the city's population, and the idea of demolishing them had been born long before Meiggs went to Peru. But the work would be costly, and the Peruvians did not properly appreciate the need of the operation. It remained for Henry Meiggs to see clearly the need and the great advantage that could follow from clearing away the ruins, as well as the possibility of gain which was involved—this Meiggs whom a Peruvian described as "the usurer of easy conscience and the astute and skilful business man who knew how to exploit our weaknesses, our deliriums of greatness, and our vices."<sup>4</sup>

The government had delegated Luis Sada, who had come

<sup>3</sup> This building was in 1937 the seat of the government of the city of Lima, *la Municipalidad*.

<sup>4</sup> Ricardo Tizón y Bueno, "El Plano de Lima," *Monografías históricas sobre la Ciudad de Lima* (Lima, 1935), I, 425. This work of two volumes was one of the publications issued in celebration of the fourth centenary of the founding of the city.

up from Chile to found and direct the Agricultural Institute, to make a study of the walls for the purpose of determining the extent and the value of the area which they occupied. Sada set the area at 394,734 square meters and the value at S/316,485. When the government asked for bids for the land, the only one presented was that of Meiggs. The sale was made to him at a figure about two thirds the size of that determined by Sada.<sup>5</sup>

In his usual "large" fashion—and with his usual exaggerated notion of future developments—Meiggs associated his demolition of the walls and his utilization of the space which they occupied with his grandiose view of Lima's future. He planned, with Sada, a series of broad and beautiful avenues which would follow the course of the walls, bought much land which lay outside (to which he expected the population to move as it flowed beyond the site of the walls), and planned a great boulevard to unite Lima with Callao.

Respecting these walls and Meiggs, the apologist who composed the Meiggs Manuscript expressed the philanthropic slant which Meiggs endeavored to give to his operations whenever it was possible, when he wrote: "Today in the mass of his transactions he bought from the Govt. the walls in order to make a present to the city of a boulevard of 5½ miles, and in order to relieve the poor who used to pay and are paying exorbitant rentals because of the lack of houses, and from having been girdled about by walls which had no reason for existence."

The purchase was made late in 1871, and very shortly the work of demolition and improvement was begun.<sup>6</sup> At one time as many as fifteen hundred workmen were employed in the operations, using up-to-date equipment imported from the United States.<sup>7</sup>

Some ideas of the rumors which circulated in Lima concerning this work and a specimen of the type of propaganda

<sup>5</sup> *Ibid.*, p. 427.

<sup>6</sup> Meiggs to Manfred Meiggs, Lima, Dec. 2, 1871 (Valle-Riestra Family Papers).

<sup>7</sup> A. Bresson, "Las Alamedas, etc.," *La Patria*, April 28, 1874. Bresson was one of the engineers whom Meiggs employed in this work.

which Meiggs used are presented in a paragraph from an article headed "Most Liberal" which appeared in a local paper:

Don Enrique Meiggs so far from intending to import a large number of dwellings already constructed, from the United States, as has been erroneously reported [perhaps this rumor was based on knowledge of the manner in which he had built his Santiago home], for erection along the old circumvallation line of Lima, of which he is the owner, and which he is now engaged with his private capital in improving, proposes to sell building sites upon that line after a reasonable time, at the actual cost to him, and upon credit if desired; and then, when parties wish to build, and are destitute of the ready means of doing so, Mr. Meiggs proposes to loan 40 per cent upon the value of the edifice to be erected in aid of parties thus wishing to secure permanent homes.<sup>8</sup>

About mid-October, 1873, a start was made on the boulevard to Callao.<sup>9</sup> But, unfortunately, neither that avenue nor some of those which had been planned for Lima were finished. Some time late in 1873 or early in the following year work on the entire project was discontinued<sup>10</sup> for want of the funds necessary for its completion.

Meiggs's dream of transforming the ancient city and its environs, however, was not barren of results. The old walls were leveled, new districts were developed for building, and several avenues were more or less completed and opened to traffic. Among them were those broad and attractive ones now denominated Grau, Alfonso Ugarte, Bolognesi, San Carlos, and Santa Teresa,<sup>11</sup> most of them in the neighborhood of the old exposition grounds and the penitentiary. Besides these avenues, several 'spacious plazas were laid out, which greatly improved the appearance and the sanitary conditions of the city. It appears, too, that a considerable number of small, hygienic homes for workers were actually built and occupied according to Meiggs's plan.<sup>12</sup>

The government was criticized in some sections for selling the walls in their entirety to Meiggs rather than to individual

<sup>8</sup> *Callao and Lima Gazette*, April 13, 1872.

<sup>9</sup> Meiggs to Manfred Meiggs, Oct. 15, 1873 (Valle-Riestra Family Papers).

<sup>10</sup> Bresson, *op. cit.*

<sup>11</sup> Tizón y Bueno, *op. cit.*, I, 427.

<sup>12</sup> Márquez, *La orjía financiera del Perú*, pp. 73-74.

needy persons and artisans.<sup>13</sup> And there was not lacking the charge that Don Enrique, in leveling the walls and building streets and avenues, disregarded in some respects the legal provisions under which he operated. In response to the complaint of a citizen, the city government, on June 11, 1873, ordered Meiggs to suspend certain of his operations and make his works conform to the plan previously approved by the authorities.<sup>14</sup> It is to be remembered that before this date President Balta had been assassinated and his successor had assumed the presidency. Meiggs had less standing with the successor, Manuel Pardo, than he had had with Balta.

In the flush of the general enthusiasm which accompanied the completion of the Arequipa Railway, Meiggs leased the line from the government. A date for the opening of bids for the lease had been twice set, but no bidders presented themselves. The authorities thereupon accepted on December 5, 1870, a proposal made by Don Enrique.<sup>15</sup> By its terms the lessee was to operate the railway for a period of five years. The consideration to be paid the government was set at S/360,000 annually for the first two years, S/480,000 for the last three.<sup>16</sup>

The venture was not a profitable one. Though Mollendo was the port at which the railway terminated, Islay, which lies some miles along the coast to the north, was a much better port. For many years the greater part of the materials destined for Arequipa and other inland cities of Southern Peru had been conveyed to their destination by pack animals along a trail that led up to the pampa from Islay. The construction of the railway appears not to have altered greatly this economic fact, for on March 1, 1872, Meiggs informed the authorities that the greater part of the goods bound for the interior were "transported inland on the backs of animals," and asked that the port of Islay be closed. He offered, in case this were done, to lower freight rates of the railway by 40 per cent, exacting

<sup>13</sup> See editorial in *Heraldo de Lima*, Oct. 6, 1871, for presentation of this view.

<sup>14</sup> See *El Comercio*, June 14, 1873.

<sup>15</sup> *Los Ferrocarriles del Perú*, I, 577-578.

<sup>16</sup> *Ibid.*, I, 910.



at the same time a corresponding reduction in the annual rental which he was paying for the road.<sup>17</sup> The government took no action on the proposal, and in September the lessee announced that the operation of the railway was causing him "enormous losses" and declared that he was not disposed to continue the lease under the existing conditions.<sup>18</sup>

This statement respecting his losses and lack of desire to continue the lease is in interesting contrast with the content of a letter which Meiggs had written on the previous February 7. In that letter, replying to "false statements respecting the political and economic situation" in Peru which had appeared in a Chilean publication, he wrote: "That the railways of Peru cannot even pay the cost of their operation is an assertion of the writer of the article so erroneous, that I would even dare to lease them, once finished, for a period of 15 to 20 years, paying the State *three per cent* of the cost of construction."

Another section of this letter indicates the extent to which, early in 1872, Don Enrique was (or at any rate represented himself as being) mistaken concerning the economic influence of the railways. Alluding to the increase in imports which had actually taken place, he declared:

Two years ago I formulated the idea that, taking as a basis the income from those duties in the years 1866 to 1869 and adopting a rate of duties like that of the United States or Chile, the iron roads to Oroya and Puno once completed, the increase in customs duties at Callao alone will be sufficient for the amortization and payment of interest on the 60 million *soles* which the two roads are costing. Moreover, and extending my idea to all the customs houses of the republic, that increase in all of them will amortize the 150,000,000 *soles* to which the railway debt amounts. And such is my conviction that I should not hesitate to accept a contract of that nature as is being suggested now to some deputies and senators.<sup>19</sup>

On September 25 the Minister of the Treasury and Commerce, calling Don Enrique's hand, wrote him asking if he would be disposed to lease the Ilo-Moquegua road at an an-

<sup>17</sup> Meiggs to the Minister of the Treasury and Commerce, Lima, Sept. 27, 1872 (*El Nacional*, Oct. 2, 1872).

<sup>18</sup> *Ibid.*

<sup>19</sup> *Ibid.*

nual rental of 3 per cent of its cost. In his reply on the twenty-seventh, Meiggs stated that it "would not be possible to accept."<sup>20</sup> By this time it was quite evident to Don Enrique as well as to the Peruvian people in general that their exaggerated anticipations concerning the economic effect of the railways were not going to be realized. But Meiggs was constrained to fulfil the terms of his lease. Later we shall find him taking over, under rather desperate circumstances, the operation of additional lines.

Meiggs was far from blind to the possibilities of gain which lay in the exploitation of guano and other mineral deposits in Chile, Bolivia, and Peru. In December, 1869, he made a loan of some \$4,000,000 to the Bolivian government which involved his working nitrate beds in the neighborhood of Mejillones, then a Bolivian possession. At one time he planned to make this son Manfred superintendent of those works. Concerning this deal, a Peruvian wrote: "E. Meiggs is making himself master of all the riches of the coast in exchange for a loan of four million *pesos* which he was able to turn over in obligations signed by himself."<sup>21</sup>

In the spring and summer of 1870 he appears to have been active in this matter. A correspondent of a Lima paper, writing in May and signing himself "Tarapaqueños" (Men of Tarapacá), expressed much concern lest Meiggs, or persons represented by him (it was suggested that he might be acting for a Chilean group), secure a monopoly of the nitrate resources of the region.<sup>22</sup> Meiggs accomplished little of importance in this venture and eventually disposed of his Mejillones holdings to a group at Lima.<sup>23</sup> Concerning guano, in 1870 Don Enrique had with the Chilean government dealings the nature of which is not definitely known.<sup>24</sup> The *South Pacific Times* of

<sup>20</sup> *Ibid.* The lengthy article in *El Nacional* which contains reprints of the three letters of Meiggs which have been cited carries the heading "Don Enrique Meiggs Before and Don Enrique Meiggs Now."

<sup>21</sup> Castro Rojas, *Historia Financiera*, quoted by Dávalos y Lissón, *La Primera Centuria*, IV, 218. The contract and other documents on this matter are printed in a pamphlet of thirty-seven pages which is bound into "Zagarra-Miscelánea—64," No. 2219 in the Biblioteca Nacional, Lima.

<sup>22</sup> *El Comercio*, June 8, 1870.

<sup>23</sup> Costa-Laurent MSS, in the possession of Sra. Costa-Laurent, of Chosica, Peru.

<sup>24</sup> John G. Meiggs to J. Freundt (London), Lima, April 27, 1870 (Meiggs Papers, Letter Book 1, p. 206).

May 14, 1872, reported that a scientific expedition sent out by Meiggs had discovered an extensive deposit of guano on the mainland near Supe, some ninety miles north of Callao. The reporter described Don Enrique as being "ever foremost in exploring the resources of Peru."

There was some justification for this description. Late in 1873 Meiggs sent to a minister of the government a gift of fifty copies of a scientific work which he had caused to be written. It was a work by the Peruvian scientist, Raimondi, on the mineral resources of the Department of Ancachs. Meiggs at the time was engaged in building the Chimbote-Huaraz Railway through this district. The work was done, Meiggs stated, to "illustrate and give a perfect idea of the profusion with which this part of Peru had been favored by nature." In acknowledging receipt of the books, the minister asserted, "You have given the initiative to this work, and it is owing to your aid that it has been completed."<sup>25</sup>

✓ Inevitably Meiggs's attention was attracted by silver. In an interview which John G. Meiggs gave to the press when he returned to the United States and which was published in the *New York Sun* of January 16, 1876, he declared roundly: "Peru is richer in the precious metals than any other country in the world. Our engineers in building the railroad from the coast to Puno have come across a hundred silver mines, any one of which might be profitably worked, if in the United States."<sup>26</sup>

The general procedure followed by the Meiggs *empresa* on discovering a vein of silver is indicated—and the jealousy and ill feeling that sometimes accompanied it is suggested—by the content of a letter which John G. wrote on March 31, 1873, to William Wiseman, the foreman of a gang that was working on the Galera tunnel. The general superintendent wrote:

Your favor of the 19th July reached me, and I hope I am mistaken in judging from its tone that you have entertained some feeling about that business of the mine.

I was informed that a large vein had been cut into before anyone

<sup>25</sup> Both letters are printed in the *South Pacific Times*, Dec. 20, 1873.

<sup>26</sup> Quoted, *ibid.*, Feb. 26, 1876.

discovered silver in it, therefore as soon as the assay showed results, I despatched Mr. Staber as one having experience both in metals and the legal arrangements. You nor any of your party were omitted in the list, which was longer than usual in order to cover a large space of ground. All possible haste was used for natural reasons.

I hasten to assure you that you have no reason to think that I supposed you would conceal a discovery from me, for in this case I was under the impression that the sample of ore sent me, came with your knowledge, if not by your bidding. . . .<sup>27</sup>

Coal, too, was worth attention. A letter of John G. to A. A. Locke, superintendent of construction on the Chimbote-Huaraz line, contains this paragraph: "*Coal Mine* I beg you will give your personal attention to this very important discovery. If you find it is there denounce it at once. Put in names to make a company large enough to make a monopoly of it. Remember your friends & let them all in—up to enough to secure all that is worth having. Mr. Pasquel will know what forms are necessary to make it legal. Above all lose no time in denouncing it & get it secured."<sup>28</sup>

More than two years later John G. took the steps necessary to secure and send to New York for testing two hundred pounds of coal from another deposit discovered on this road.<sup>29</sup>

Meiggs eventually got into the Cerro de Pasco copper and silver mines in a thorough manner. That point, however, is reserved for later special treatment.

The contracts under which the Meiggs roads were built provided that "any minerals, fossils, antiquities and other exploitable things" that might be encountered, should be the property of the nation.<sup>30</sup> This clause explains the fact that the Meiggs personnel, when a new deposit of any importance was uncovered, took with haste the steps which, it was hoped, would secure to themselves the advantages of exploitation. Peruvians, if anticipations had been realized, would have shared very little in those advantages.

<sup>27</sup> Meiggs Papers, Letter Book 8, p. 622.

<sup>28</sup> Jan. 16, 1873 (*ibid.*, pp. 341-342).

<sup>29</sup> John G. to E. T. Scovill (Chimbote), Lima, Oct. 19, 1875 (*ibid.*, Letter Book 11, p. 691).

<sup>30</sup> See Sec. 33 of the Oroya contract, *Los Ferrocarriles del Perú*, I, 120.



The rental contract whereby Meiggs took over the operation of the Arequipa Railway contained the stipulation that the lessee should build the tanks and pipe lines necessary to supply the Mollendo terminal with water. The official decree that established the terms under which this work was done bears the date October 25, 1871. The ninety miles of line were to be built of piping eight inches in diameter and five eighths of an inch in thickness, of the best quality and capable of sustaining a pressure of fifty pounds per inch. Don Enrique had already ordered the materials from England at the time when the work was contracted. The sum to be paid the contractor was set at S/1,800,630 and was to be discharged in monthly installments according to the materials purchased for the work. These installments, it is of interest to note, were to be paid from the 10 per cent discount exacted from Meiggs as a guarantee from the value of work done on the railways Callao to Oroya, Arequipa to Puno, and Ilo to Moquegua. The return of the 10 per cent which was to go to Meiggs on the completion of the railways was to be effected through the rental paid by him for the Arequipa Railway.

It was further stipulated that in case the government should later decide to make Islay the ocean terminal of the line and build a branch upward from that point, the contractor was to change the pipeline to the new route at the rate of S/3,000 per mile of the line so changed.<sup>31</sup> Mollendo was supplied with water; and, as it continues to be today the ocean terminus of the railway, the provision regarding a possible change of the supply-pipe was not called into operation.

Early in 1872, when the active Benjamín Vicuña Mackenna was intendant of the Chilean capital, he wrote Meiggs concerning a plan which was being considered for the canalization of the River Maipó, which flows through that city. Meiggs professed to be interested, and a number of letters were exchanged, but nothing concrete came of the correspondence.<sup>32</sup> The condition of his affairs in Peru was becoming too involved to permit Meiggs to undertake such a project in Chile.

<sup>31</sup> *Ibid.*, I, 584-585.

<sup>32</sup> See Meiggs's letter to Vicuña Mackenna in the *South Pacific Times*, June 6, 1872.

Meiggs, in a letter to his son Manfred dated March 18, 1874, wrote: "We are now forming the 'Compania de Obras publicas y fomento' [Public Works and Development Company] with five millions of soles capital, and hope it will prove a success, as I really think it will."<sup>33</sup> In the preceding sentence the writer had expressed the hope that in a very few days he would be "in a better condition financially." This statement and what is known of the generally distressed condition of Peruvian economic life at the time suggest that Meiggs felt severely the lack of funds and that the Public Works and Development Company was formed as a possible means of drawing into his hands money from other private sources.

The organization of the company was announced to the public on May 1, 1874. Its nominal capitalization of S/5,000,000 was divided into 30,000 shares ranging in price from S/200,000 down to S/10. The shares of S/10 were guaranteed a preferential dividend of 10 per cent. Stock subscribed for to May 1 (the company was organized on March 31) was announced to be S/1,350,000, presumably taken largely by the Meiggses and their close associates. The directorate consisted of Henry Meiggs, president; Francisco García Calderón, vice-president; Carlos S. Rand, Guillermo G. Cilley, and Enrique H. Meiggs, directors; J. L. Thorndike and Minor K. Meiggs, vice-directors. Guillermo H. Cilley was interim manager.

The official announcement gave an extended list of objects of the company. The most important were these: to buy city lots and build on them; to buy, improve, and rent the lands which the company desired or the houses which it should build; to purchase agricultural land, irrigate or cultivate it, or sell or lease it; to make contracts for public works with the government or with municipalities; to denounce or buy mines to exploit or sell; to give homes to miners and farmers and to procure machines or tools for them; to construct railways and telegraphs; to buy boats for the use of the company or to sell or operate; to make loans.<sup>34</sup>

<sup>33</sup> Valle-Riestra Family Papers.

<sup>34</sup> See announcement in *El Nacional*, May 1, 1874, or the *South Pacific Times*, June 27, 1874; it ran for several weeks. A copy of the company's statutes which was found among the Meiggs Papers is corrected to include amendments adopted on Nov. 5, 1877.

In order to impart an air of philanthropy to the company's activities and thus attract public support, the object of providing homes for the laboring class, "the class most in need of cheap and sanitary living quarters," was stressed. With this object, the announcement ran, the company had secured in Lima and Callao land to the value of half a million *soles*. This land was, in all probability, that which Don Enrique had previously bought, as he transferred to the company all his Peruvian property.<sup>35</sup>

The company was active for the remainder of Meiggs's life in some, if not all, of the lines mentioned above. One of the most notable existing results of its operations is the extensive building in Lima, located a block from the Plaza de Armas, which houses the city post office and the national telegraph, telephone, and radio authorities. It is extensive and imposing, after a fashion, and was substantially built. Contract for the erection of this building was made on March 15, 1876,<sup>36</sup> and it was constructed during that and succeeding years.

At the period of his heyday in Peru—i.e., about midyear of 1870—Don Enrique was caused some anxious moments because of an order for rifles and ammunition which he undertook to fill for the Bolivian government. A peculiar conjunction of circumstances threatened to alter the simple purchase into a diplomatic incident. The elements concerned were a military abuse, an American munitions agent, an unscrupulous but exceedingly daring Bolivian president, and the Dreyfus contract fight in Peru which, as will later be shown in more detail, saw the old guano concessionaires in bitter opposition to the Peruvian government.

Some Bolivians, in revolt, had fled into Peruvian territory at Puno. Melgarejo, Bolivian dictator, sent in pursuit of them the officer who was in command of the frontier, General Leonardo Antezana. Antezana crossed over into Peruvian territory, committed atrocities on a number of the revolutionaries, and, returning, carried with him some cattle and silver and two young Indians. This incident occurred in January<sup>37</sup> and

<sup>35</sup> *El Comercio*, Oct. 1, 1877.

<sup>36</sup> Dávalos y Lissón, *op. cit.*, IV, 264.

<sup>37</sup> Jorge Basadre, *Historia de la República* (Lima, 1939), pp. 422-423.

aroused considerable feeling at Lima. Benevente, the Bolivian minister to Peru, advised John G. Meiggs that there was no danger of war from that cause. But against that advice, John G. wrote to his brother:

I had a call from *General Hovey* who assures me that he *knows* of certain things transpiring here [in Lima], which leads him to believe that the old conspirators (i. e.) Guaneros [guano concessionaires] are plotting with the Govt of Bolivia *direct*. The Genl seemed very solicitous for your interests but when he had finished I discovered the "Nigger in the Fence" he wanted the Govt of Peru to have the proper *Arms*, and he could tell them how, and where, to obtain them, and without which Peru was doomed to defeat and disgrace—The Genl has a sharp eye to business!<sup>38</sup>

It appears that the "merchant of death" is not exactly a recent phenomenon.

About the same time, John G. felt constrained to advance the sum of S/11,200 to President Melgarejo. The sum was requested by one Manuel de la Lastre, representative of Melgarejo, who stated that the funds were required by the President "personally." John G., reporting that he had accepted de la Lastre's draft, added, "I feared that a blank refusal to pay this draft might jeopardize your personal interest with the President."<sup>39</sup>

How delicately must business affairs be handled in the Andes! "Personal interests" of highly placed persons must be carefully guarded to preserve the fine balance of things. Don Enrique, in answering his brother's report on this matter, had advised that the draft be honored and nothing said to Claro, the cashier of Meiggs's bank in La Paz, where, on the word of Melgarejo's agent, funds had been deposited to care for it.<sup>40</sup> Apparently Don Enrique chose to take a chance on losing the money in preference to risking his "personal interest" with the Bolivian dictator.

On May 20, John G. informed his "Prior" that José Antonio García y García had been named by the Peruvian

<sup>38</sup> April 10, 1870 (Meiggs Papers, Letter Book 1, pp. 147-148). Don Enrique was at the time in Santiago.

<sup>39</sup> April 20, 1870 (*ibid.*, pp. 181-182).

<sup>40</sup> John G. to Henry Meiggs, Lima, May 11, 1870 (*ibid.*, p. 231).



government as special envoy to settle the difficulties between Peru and Bolivia. "I don't like the negocio!!" wrote John G., "I fear he would like to aid his friends [the *guaneros*?] to kick up a row—" <sup>41</sup>

Two weeks later the trouble relative to the shipment of arms and ammunition developed. The order had previously been accepted, it seems, and put through by Don Enrique. The complications which ensued when the materials were shipped from New York are set forth in a confidential letter which John G. wrote to Henry, at the time in Chile:

*Rifles & Ammunition* from Mr. Spinney [Meiggs's New York purchasing agent]. This is going to be the cause of serious trouble I fear. After Spinney had them all ready to ship he could not get through bills [of lading] for anything but the Rifles which he consigns to Hainsworth & Co [a firm of Tacna, Peru], and the ammunition he shipped to Wm. Nelson Esq of Panama with instructions to hold subject to my order. The officials of the Company in New York stated that the importation of ammunition was prohibited by Peru, but that Rifles might be shipped in— Mr. Suarez called on Mr. Benevente who advised Suarez to obtain from this Govt. Permission to send them through to be held by themselves. Mr. Suarez called on Secuda [Secada, Peruvian Minister of Government, etc.] who was afraid to take any responsibility, but after taking the views of the President they have decided to *seize them* as all fire arms & powder in any shape are *contraband*. I asked Suarez to call on Dirteano [an influential Peruvian capitalist] last evening, and prevent the *seizure* at all hazards if possible, either by selling the Rifles to the Govt. or *giving* them rather than they should be seized. The Govt. here are much alarmed at the aspect of affairs between the two Govts. owing to the fact that Melgarejo has been *Drunk* for thirty days, and is doing some strange things. . . . If these Rifles should be seized, and Melgarejo should be drunk when he hears it, there will be trouble!! . . . <sup>42</sup>

P. S. The Minister of Hacienda states that as the importation of Arms & Ammunition is prohibited in Peru, he shall give orders for the

<sup>41</sup> *Ibid.*, p. 278.

<sup>42</sup> For a brief sketch of the career of this barbarous, but always interesting, Melgarejo, who was assassinated in Lima by his son-in-law, José Aurelio Sánchez (brother of Melgarejo's mistress Juana), something more than a year after the events here recorded took place, see an article by Charles E. Chapman, "Melgarejo of Bolivia: An Illustration of Spanish American Dictatorships," *Pacific Historical Review*, VIII (March, 1939), 37-45.

detention of the Rifles until further orders. My impression is that the Govt. will purchase them, but will never release them to Bolivia.<sup>43</sup>

Bearing the same date, letters went from John G. to Lorenzo Claro, in La Paz, and to Hainsworth and Company, in Tacna, informing them of the status of the matter. The Claro letter contained the suggestion that he say nothing at the time to Bolivian government officials, "as it may stir up bad blood."<sup>44</sup>

Greatly to John G.'s relief, the officials of the Pacific Steam Navigation Company had given orders that no arms and ammunition should be received by the vessels of that line at Panama,<sup>45</sup> and the materials lay at that point for some time. In mid-July, John G., writing in Henry's name, was able to inform William Nelson that the Peruvian government had given the navigation company permission to ship them. They were to be sent at once to Hainsworth and Company. He added, "The goods are furnished by me to the Bolivian Govt. under contract and at prices which do not permit of any unusual charges."<sup>46</sup> Thus another *negocio* was completed successfully at the cost of no little anxiety and many manipulations among company and government officials.

These facts give one an idea of Meiggs's business activities. Real-estate manipulations, guano discoveries and developments, construction contracts for various matters other than railways, railway leases, mineral developments, commercial activities—in fact, almost every line of gainful activity possible in Peru came within his purview and his operations. But his wide-ranging mind embraced many projects in addition to these. He contracted to build a railway in Costa Rica, then turned over the contract to his nephews, the Keiths. He was offered a railway contract in Colombia. He gave some thought to the building of an isthmian canal but never got around to any positive action on it.<sup>47</sup> It has been indicated that he engaged

<sup>43</sup> June 4, 1870 (Meiggs Papers, Letter Book 1, pp. 308-309, 311).

<sup>44</sup> For these letters, see *ibid.*, pp. 312-316.

<sup>45</sup> John G. to L. Claro, Lima, June 11 (*ibid.*, pp. 331-332).

<sup>46</sup> July 13 (*ibid.*, p. 397).

<sup>47</sup> The Henry Meiggs Heirs to George Williamson, United States Minister to Guatemala, Lima, Oct. 11, 1877 (*ibid.*, Letter Book "1877," pp. 6-7).

in banking in Bolivia. He was also active to an extent in the exploitation of Bolivian minerals, and he not only began an irrigation project, but contributed to the study of certain of the country's unexplored regions and of its rivers with a view to determining their navigability. He likewise signed a railroad contract with the Bolivian government, and it has been asserted that he studied the problem of constructing a railway from Guayaquil to Quito, in Ecuador. Few projects were too ambitious for his consideration, though many, even a number of those which he actually undertook, were beyond his means.

### XIII

#### MEIGGS IN PERUVIAN SOCIETY

FROM THE DAY when Henry Meiggs went up to Peru there was hardly a question of his acceptance by Peruvian society. Already he had in Peru the reputation of a millionaire who built palaces in which to entertain the elite and the great of Chile. Fernando Casos spoke of him as a man of "fabulous existence" and made reference to the "vague and indefinable murmur" excited in a crowded room by the mere mention of his name. If any doubt of his acceptance existed, it was quickly dispelled when he was awarded rich public-works contracts and began garnering millions therefrom. What society, organized like that of Peru, on force and wealth, could resist such a figure—particular when he could be described, to use Dr. Casos' words, as "a man of fifty [in 1868 he was actually fifty-seven], of attractive features, ruddy, robust, broad forehead, green eyes, blond hair, and spiritual smile"?<sup>1</sup> The fact is that he was received, and at the time when the Arequipa Railway was inaugurated, he was at the very apogee of his success in Peru, both as a contractor and as a member of society.

And what a society that was! It was sophisticated in the extreme; aristocratic—it consisted of a group numerically quite small which rested upon a great servile mass; and rich—its members owned the extensive sugar plantations and other elements of wealth, or filled government positions which enabled them to profit from the shower of gold that was a logical consequence of the public-works boom.

Those who were fortunate enough to possess wealth flaunted their rich (though ill-fitting) clothing, moved about

<sup>1</sup> ¡¡ *Los Hombres de Bien!*!, p. 96.



grandly in fine carriages, lived in imposing homes (many of which knew not good plumbing), and were waited on by numerous (though customarily very inefficient) servants. But with all of their wealth and their ostentatious display, they lived amid very insanitary surroundings. Dust, dirt, and the diseases consequent thereto were general in Meiggs's day in Lima and in all the other cities of Peru. The Englishman Duffield, writing in the mid-seventies, declared:

Of the municipal laws, which provide for cleanliness, health, and public order, although great progress has been made in Central Lima, all that need be said is, that it is a wonder the inhabitants have survived, and that those who were not killed in last year's revolution have not been carried off by a plague.<sup>2</sup>

Though one should be hesitant about indicting an entire social class, it appears that the morals of the dominant class of Don Enrique's day were on a par with the sanitation of their capital city. If bribery and other forms of corruption were common in political circles, social vices were scarcely less widespread. There were, of course, exceptions. It is from the pen of a Peruvian puritan that the bitterest indictment of Peruvian morals comes. The manuscripts of Manuel González Prada contain many and grave strictures on the political and social morals of Peru's dominant class, strictures which, in some cases, could not safely be published while their author was yet alive. In an essay entitled "Political Shopkeepers," which concerned the Meiggs period, González Prada wrote:

Riches served as an element of corruption, not of material progress. The sale of guano, the floating of loans, the building of railways, the emission of bills and the expropriation of nitrate beds gave opportunity for the most scandalous frauds. The contracts with Dreyfus, Meiggs, and Grace were equivalent to the celebration of great fairs where daily newspapers, the presidents of the Republic, the Tribunals of Justice, the Houses of Congress, the Ministers of State, consuls and other public functionaries figured as articles of sale and barter. On seeing that in a few months and even a few days some persons improvised fabulous riches, there was propagated in every class the morbid desire of enriching itself. . . . No means of acquisition seemed illicit. The people

<sup>2</sup> *Peru in the Guano Age*, pp. 10-11.

would have thrown themselves into a sewer if at the bottom they had glimpsed a golden *sol*. Husbands sold their wives, fathers their daughters, brothers their sisters. . . . Meiggs had a seraglio among the directing classes of Lima. Not even eunuchs were wanting. . . .<sup>3</sup>

In another essay, "The Year 2200," this critic wrote other biting paragraphs. He asserted his belief that in the twenty-third century "(when English shall have succeeded Quechua [the language of the Peruvian Indian] and the ancient Empire of Manco shall form part of the United States)," some friend of antiquities acquainted with the Spanish language would read in the book of an impartial historian:

In Peru of the nineteenth century, in that Carthage without a Hannibal, in that mercenary monarchy with the habiliments of a Republic, the presidents reigned, but the Dreyfuses and the Graces governed. Back there, there was no thirst but the thirst for gold, no other idea than to stuff the stomach: the conscience of every politician was for sale, the pen of every writer was for rent. The intelligent men were rogues, the honorable ones were imbeciles. Today one would not be able to cite the name of a single individual who deserves to be called honorable; because it was not considered unworthy to assault the public wealth, to betray one's convictions, or to traffic with the honor of one's own family. There was a certain Meiggs, a business man converted into a millionaire thanks to one-sided contracts with the Government; very well, the sisters, the wife, and the daughters went to prostitute themselves to him. What was the Judicial Power? A public auction, from the Supreme Court down to the Justices of the Peace. What the Congresses? Groups of shysters [*mala ley*], made up of the intimates, the friends, the protégés, and the servants of the presidents. What the political authorities, from the government down to the Prefect? Torturers [*torcionarios*] who threw into prison, flogged, violated, and shot. What the people? A kind of domestic and castrated animal who endured as much the whip of the Chilean soldier<sup>4</sup> as the rod of Peruvian authority.<sup>5</sup>

<sup>3</sup> *Propaganda y ataque* (Buenos Aires, 1939), pp. 225-226.

<sup>4</sup> In 1879 war broke out between Peru and Bolivia on the one hand and Chile on the other. The Chilean Army shortly occupied Lima and held it for three years. Of the conduct of his fellow-citizens during the foreign occupation, González Prada—who fought in the Peruvian Army and after the city was lost shut himself up in his house lest he encounter a Chilean on the street—wrote: "Men—and not of the people—clasped the hands of the invaders, served them as satellites, submissive employees, spies, constables, informers, councilors in the

Even if one were to qualify these passages as overdrawn—though other evidence indicates that they probably were not greatly so, if at all—there would yet remain the conviction that moral conditions in the Peru of the 1870's must have been very bad indeed to elicit such devastating charges.

It was against this spotted backdrop that Henry Meiggs moved about and spoke his eloquent lines. They harmonized perfectly, it appears, with those spoken by other members of the cast. Material of the preceding chapters of this work has indicated the manner in which Don Enrique profited by the universal hunger for gain which held in its grip the directors of Peru's economic and political life. Meiggs, it is clear, was not overdiligent in taking advantage of the victims of that hunger to despoil the country of a portion of its riches. Sentences in the passages quoted from González Prada suggest that in other connections his morals were entirely consonant with those of his associates.

The manuscripts of González Prada (recently in large measure published by his son) contain various loose-sheet and marginal notations that concern Don Enrique's relations with members of the opposite sex, some of whom, apparently, were more or less prominent in Lima's Society. One of these runs:

Some of the most learned and most severe and respected men who today found chairs of morals, virtue, and urbanity were then unbearded boys with all the sophistries of Gil Blas, since they earned gold watches and *pure-blooded bays* for mounting guard while their mothers, their sisters, or their cousins took the horizontal position on the couch of Meiggs.

A marginal notation on this manuscript declares that "The fathers of family called him 'the gentleman Meiggs'; imposition of taxes. *Young men of good family* piloted them to houses of prostitution when they did not offer in their own families what was sold in the brothels. Women of every lineage furnished them with intimate and *fecund* manifestations of affection. While Peru suffered a crucifixion from north to south, the females of the capital embraced the Chileans and engendered some four or five thousand bastards. Following the instinct of the sex, they preferred the conqueror to the conquered, the valiant to the cowardly. In this is summarized the work of our political shopkeepers." From the essay "Mercaderes políticos," *Propaganda y ataque*, p. 229.

<sup>5</sup> From unpublished MSS, "El tonel de Diógenes," lent the author by Alfredo González-Prada.

the mothers, 'the friend Meiggs'; the young girls, 'Papa Meiggs.'"<sup>6</sup>

Even as late as 1906 González Prada used the name of Meiggs "to point a moral." In that year a large national loan was being projected. González Prada attacked it in the press and ended one of his articles with the suggestion, "Probably, indeed the figure of a new Meiggs is seen on the horizon. (I give notice to men . . . and to women.)"<sup>7</sup>

The personal letter of Dr. Alfredo González-Prada which accompanied the manuscript copies of certain writings of his father which he generously lent the author of this work contains this passage:

The "relojes de oro" [gold watches] and the "alzanes pur sang" [pure-blooded bays] that rewarded the "bons offices" (as the French say) of the "niños bien de Lima" [young men of good family of Lima] are a fact. You know what a fame of a "Yankee Casanova" was left by Meiggs in Peru. A fame certainly well founded. He built many bridges and tunnels in the Andes, but wrecked many homes and reputations in Lima.<sup>8</sup>

The author of this book does know from conversations had with residents of Lima that Meiggs left behind him such a reputation. Documentary evidence is not of such nature as to constitute absolute proof that the reputation was justified. If it be assumed, however, that it was, a new significance attaches to certain clauses of Don Enrique's last will. They run:

Eighteen. I declare that I owe to Carolina Leyghton, resident in Chile, a balance of five thousand Chilean pesos and I order that it be paid her in preferenc to all the others, if I should not have done so before my death.

Nineteen. I bequeath to Carlos Pio Leyghton, son of Carolina Leyghton, twenty thousand Chilean pesos, once and for all [*por una sola vez*], with interest at the rate of six per cent annually payable in Chilean money, beginning from the date of my death until the time at which Carlos Pio shall reach the age of twenty-five years, at which time he will be paid said legacy under its corresponding receipt. If he

<sup>6</sup> "El año 2200," unpublished MSS, "El tonel de Diógenes."

<sup>7</sup> "El Empréstito," *Los Perias* (Lima), No. 23, March, 1906 (copy supplied by Alfredo González-Prada).

<sup>8</sup> New York, Aug. 23, 1938. Quoted with the writer's permission.



should die before reaching the age of twenty-five years, this legacy will remain without effect. This legacy shall be assured in preference to all the others.<sup>9</sup>

When the will was published shortly after Meiggs's death, these sections, along with various others, were omitted as being of a private character and not interesting to the public.

Whether the reputation of being a "Yankee Casanova" was entirely deserved or not, it may safely be asserted that Henry Meiggs was no puritan. It does not appear that he ever, in any capacity or connection, practiced the art of inhibition. Given his character, his personal history, his wealth and position, and the nature of the society in which he moved in Lima, it would be surprising to learn that he pursued the path of strict moral rectitude. Duffield declared that at that period incontinence was general in Peru and that the number of illegitimate children was greater than that of those born in wedlock.<sup>10</sup> It seems highly probable that Don Enrique responded readily to the feminine charms which hedged him about in considerable profusion and that the Casanova appellation was, in fact, more or less justified.

In Peru, Meiggs soon provided himself with the setting necessary for his notable social activities. In this he merely followed the precedents which he had previously established both in San Francisco and in Santiago. He early owned a commodious city home in Lima. But at the beginning of the year 1870—as a part of extensive purchases of real estate which eventually embraced holdings that extended continuously from Lima to Callao—he acquired the country estate known as Villegas.<sup>11</sup> This was his favorite residence, and here he usually lived when he was at the capital.

Villegas was situated midway between Lima and Callao. It was approached by a half-mile driveway that extends northward from what was formerly known as the *Vieja Carretera Colonial* (Old Colonial Road). Today the former home of Don Enrique is a mass of ruins. It was burned down many

<sup>9</sup> From original copy in the Meiggs Papers.

<sup>10</sup> *Op. cit.*, p. 14.

<sup>11</sup> It was bought from Juan Gallagher on Jan. 17, 1870 ("Prórroga e hipoteca al Banco del Perú," Meiggs Papers).

years ago—an incident, probably, of the invasion of the country by the Chileans—and has never been rebuilt. But the ruins bespeak a former commodious, comfortable, and dignified home. The house of a story and a half, which contained probably a dozen rooms, stood atop an ancient ruin of the type which the natives call *huacas*—ancient Indian tombs. This foundation ruin, one hundred yards square, had been smoothed down to the perpendicular and built up with heavy adobe walls, twenty-five feet high and well buttressed. At each of the corners was a small circular watchtower so placed as to enable the occupants to enfilade the side walls. These turrets speak of a time when public order was not secure in Peru and when facilities for quickly converting a residence into a fortress were highly desirable. An imposing entrance gate, still in a good state of preservation, admits one to a wide courtyard at the left of which is the front of the house. Its stairway, about which goats and fowls now busy themselves, is flanked by rooms cut into the mass of the *huaca*. Once they doubtless served to shelter coaches and horses, but now they are the abode of low-class natives, owners of the goats and fowls.

The stairway which leads upward to the top of the *huaca* and to the house is quite narrow—another defense measure. It is cut back into the *huaca* at right angles to its outer wall. When the visitor of today has clambered up the slope of loose dirt which now replaces the risers of former times, he finds himself before the white adobe walls which in their original state enclosed Don Enrique and his family and their guests. There is now no roof, and here and there are large breaches in the walls. The remaining heavy beams that supported the walls above windows and doors show traces of the fire that destroyed the building. On the east side, beneath the floor level, there is an excavation of considerable size which was formerly the *bodega*, or wine cellar.

When Don Enrique lived there, the entire surface of the *huaca* about the house was a flower garden in which grew a number of trees of some size.

The floors of the house and the surface of the *huaca* outside have been much dug up and moved about by persons

searching for silver or other objects of value which it was believed the rich Señor Meiggs might have left there.

All about the ruins lie green fields irrigated by the waters of the Rímac, and near by runs Don Enrique's railway, bound for La Oroya. From the elevated floor, in one direction are visible the ships in the harbor at Callao, while in the contrary direction beyond Lima rise the bare, brown Andes, blue in the distance, which challenged Meiggs and his engineers. The house and the setting were worthy of a *grand seigneur*.

And so was the hospitality which was dispensed within it. The gates seldom, if ever, were closed to the master's numerous friends. Villegas and the town house were from time to time the scenes of sumptuous dinners and grand balls. A Dr. Ghiselin, of Peru, who had frequently been a guest of Meiggs, visiting in San Francisco, was quoted as saying, probably of activities in the city house:

The Meiggs residence is one of the finest in the world. The grounds surrounding it are not extensive, but the house is a perfect palace in size, and in luxury, elegance and wealth of its appointments. It was the resort of distinguished men of all quarters of the globe and the center of the best society in Lima. Princes of the blood royal, Kings, Potentates and Presidents accepted his hospitalities as a mark of honor; and feasted at his board with men and women, famous in the domain of letters, art and science. Mr. Meiggs entertained his guests in the most magnificent manner, some of his banquets rivalling Imperial feasts in splendor.<sup>12</sup>

A minister of the United States to Peru stated that the expatriate American was particularly kind to American officials when they were in Lima or Callao or were en route to assignments in Bolivia or Chile.<sup>13</sup> Lima's *El Comercio* of July 7, 1870, carried a note on an Independence Day celebration held at the United States Legation. Present were Meiggs, a General Hovey, and Rear Admiral Turner, commander of the *Kearsarge*, a unit of the North American squadron which was

<sup>12</sup> Clipping from a San Francisco paper of about Oct., 1877, found in Archivo Vicuña Mackenna, 26-28, No. 6, "Papeles impresos referentes a Don Enrique Meiggs, etc."

<sup>13</sup> Richard Gibbs to Secretary of State Evarts, Lima, Oct. 1, 1877 (MSS, Department of State, Despatches from Peru, XXIX, No. 197).

at the time making a visit to Callao. The party at the Legation ended at six o'clock. The greater part of the company thereupon went to the home of Meiggs, which was open to friends and compatriots until after midnight. This may be indicative of homesickness and a natural liking for people of his own country, or it may be thought of as a part of a build-up for a possible later return to the United States.

It has already been shown that many of the most prominent residents of Lima were happy to be guests of Don Enrique. And there is frequent reference in contemporary records to the fact that Meiggs and President Balta were personal friends.

Esmeralda Cervantes, a harpist, gave a number of concerts in Lima and Callao in April, 1876. On taking leave of Peru, she followed the custom of publishing her thanks for the attentions that had been shown her. A passage from her note runs: "I owe moreover a special expression of gratitude to His Excellency, the President of the Republic don Manuel Pardo and to the distinguished gentlemen Messrs. Enrique Meiggs and Guillermo Scheel."<sup>14</sup>

Don Enrique is here bracketed in a social connection with the men who, along with him, were those most prominent in Peruvian political and economic life. The note also reveals Meiggs as being still a patron of music. |

Meiggs's style of living was always expensive. His account books show that his household expenses for the months of January-April, 1870, were, respectively, S/1,375.20, S/1,192.00, S/2,107.00, and S/1,649.00.<sup>15</sup> Since the Peruvian *sol* of that day was worth almost as much as the dollar of the United States, it is clear that he did not live cheaply. The account books also carried for him a "private account" and a "special account," some items of which, it may be, belonged to his personal living expenses.

The bull fight being what it was—and is—in Lima, it may be considered a proof of social prominence that a *corrida* was dedicated to Don Enrique. The dedication was made by Luis

<sup>14</sup> *El Comercio*, April 21, 1876. Scheel, the Peruvian manager of the French firm of Dreyfus Brothers and Company, was deeply concerned with Peruvian guano.

<sup>15</sup> Meiggs Papers, Caja, Enero, 1870, á Agosto, 1871, pp. 11, 23.



Otaiza in a letter bearing the date August 20, 1870. The words of the dedication are not without interest:

To you who move under a cloud of sympathy and a rain of benedictions;  
 To you who have opened faith and hope;  
 To you who have awakened in youth the love of labor and lessened the spirit of revolt;  
 To you who have opened railways, realizing our hopes and our desires.<sup>16</sup>

In Peru, no less than in his previous places of residence, Meiggs very soon acquired the reputation of being a charitable man, a philanthropist. The earthquake of August, 1868, presented him with an early opportunity to acquire this reputation in Peru. On August 20, a week after the calamitous occurrence, he sent to President Balta the sum of S/50,000 with the request that it be distributed among the cities of Arequipa, Arica, and Iquique, and other towns which had been stricken. In accepting the gift, the President expressed his profound thanks and those of his country.<sup>17</sup> *El Comercio* announced the donation in these lines: "Don Enrique Meiggs (who as an Englishman may very well be a Protestant), in spite of the fact that he had suffered considerable losses, gives S/50,000." Besides giving money, Meiggs removed men from work on the Huasamayo section of the Arequipa Railway then under construction to assist with the most pressing repairs at Arequipa.

The reputation thus so early gained was sustained by numerous other benefactions. In 1871 Meiggs donated S/1,600 to the Beneficencia (Charitable Society) of Lima to aid the sufferers from floods at Lambayeque and Chiclayo, in north central Peru.<sup>18</sup> In the same month he gave S/400 to aid in establishing the charitable institution of the Good Pastor.<sup>19</sup> Later he contributed a large amount of building materials to assist in rebuilding the church of Santa Rosa in Callao.<sup>20</sup>

That Don Enrique was not narrow in his choice of bene-

<sup>16</sup> *El Comercio*, Aug. 20, 1870. Such dedications to prominent persons were, of course, customary.

<sup>17</sup> *El Ferrocarril de Arequipa*, pp. 103-104.

<sup>18</sup> Meiggs to Manuel Pardo, April 11, 1871. (Pardo was at the time prefect of Lima.) Meiggs Papers, Letter Book 3, p. 121.

<sup>19</sup> Meiggs to Sra. Da. Teresa B. del Roca, Lima, April 26, 1871 (*ibid.*, p. 199).

<sup>20</sup> *South Pacific Times*, Dec. 2, 1875.

ficiaries is proved by his gift in September, 1874, of ground to be used as a Jewish cemetery. The periodical which reported this gift declared that by his action Meiggs had "proved his belief that true liberty is bound by no creed," and had "set an example which is the more noteworthy at the present time, when a last and feeble attempt has been made to draw tighter those religious distinctions which Peru received as an heirloom from the monarchical system."<sup>21</sup>

Late in 1871, when the matter of a new customs house for Callao was being considered, Meiggs donated to the government a section of land which it was believed would be a good location for the new structure. Building operations were begun, but they were abandoned when the commission charged with the project decided that completion of the buildings would have the effect of lowering the value of property in the business district of Callao. Moreover, the site, it was decided, was unsuitable because of dampness.<sup>22</sup> If there were ulterior reasons for the abandonment of the uncompleted project, they do not appear.

Another benefaction of some magnitude was Meiggs's gift of a plot "ten thousand varas square [*sic*], splendidly situated, for the erection of a central slaughter house" at Callao, "the want of which," wrote the reporter, nodding, "has long been needed." The value of the plot was declared to be not less than fifty thousand *soles*.<sup>23</sup> In a communication of May 19, 1874, the Council of Callao expressed its thanks to Don Enrique for the gift of "10,000 square varas" of ground for the slaughter-house, situated "to the windward side of the city and close to the station of the Oroya railway." In accepting, the Council declared that it was "a gift which, apart from its material value, possesses a very high moral signification—namely the noble wish to contribute to the well-being and the progress of this locality."<sup>24</sup>

Of course, it may also have had the "signification" of increasing the value of Don Enrique's other holdings in and near Callao.

<sup>21</sup> *Ibid.*, Sept. 19, 1874. The Bishop of Arequipa had just been expelled and the Jesuit school there closed.

<sup>22</sup> *Ibid.*, Oct. 15, 1872.

<sup>23</sup> *Ibid.*, April 9, 1874.

<sup>24</sup> *Ibid.*, May 19, 1874.

These are only a few items of a more significant sort that chronicle public gifts of Meiggs. The list could be increased considerably if there were need of doing so.

The cash books of the Meiggs Papers carry monthly listings of "Donations and Charity." There are itemized entries. Many are for the passage of individuals, sometimes entire families, to Valparaíso, to London, to New York, or to some other point. On this account were recorded the gifts of Don Enrique and of John G. In some cases the entries show the sums as having been advanced by some member of the office staff at Lima. There is usually for each week an entry showing amounts distributed among beggars at Don Enrique's door. Then, as now, in Lima and other parts of Peru, a clientele of beggars made the weekly Saturday-morning call on "favored" individuals. The entries show that at times Don Enrique's largess on these occasions amounted to fifteen or twenty dollars. This fact affords some justification for the assertion of the Meiggs Manuscript that Don Enrique's house was "a sort of Church into which all the poor enter and come out assisted." The summary of monthly expenditures listed under "Donations and Charity" for nine successive months reveals these figures:

December, 1870 .....	S/ 734.00
January, 1871 .....	2,680.00
February .....	1,670.40
March .....	3,602.32
April .....	9,584.82
May .....	3,275.25
June .....	603.00
July .....	2,826.63
August .....	3,770.30

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S/28,746.72<sup>25</sup>

The total represents a respectable sum. But one's conception of the magnitude of the charity involved is affected when it is understood that a goodly proportion of these expenditures, particularly of that part advanced for steamer passages, ap-

<sup>25</sup> Meiggs Papers, Caja, Enero, 1870, á Agosto, 1871, *passim*.

pears to have been given to persons to whom Meiggs owed a sort of moral obligation since they were former employees who had become ill in his service or were for some other reason returning to their homes. Furthermore, many of the donations listed here had nothing of the nature of charity. For example, there is the entry dated April 1, 1871, of S/5,000 "To paid to General Felipe Rivas subn. p. [subscription for] medals Balta & Pierola."<sup>26</sup> It could just as truthfully have been entered, "To expense of keeping on good terms with the President and the Secretary of the Treasury."

These charitable activities made a strong impression on the greater part of the Peruvian public. Many encomiums were heaped upon the dispenser. One of the more exaggerated was that of Isaac Lawton, an Englishman who was for a time editor of the *Callao and Lima Gazette*. The occasion was a farewell dinner which was given on the evening of September 12, 1871, at Callao's St. James Hotel to Henry Meiggs Keith, nephew of the Meiggses. This young man, who had been for some time construction superintendent of the Oroya road, was shortly to leave for the scene of his and his brother Minor C.'s later railway-building (and banana-growing) operations in Costa Rica. John G. was present but Henry was not, as the state of his health did not admit of his being out at night. Lawton, after declaring that he had heard the name of Henry Meiggs long before he had planted a foot on Peruvian soil, and that he had gradually felt the name's "almost talismanic influence," continued:

I wish to make a few remarks in reference to the personal qualities that adorn his name, and to that unbounded benevolence that proves how he regards himself only as the custodian of God's good gifts and distributes them willingly for the benefit of his less favored fellow-men. (Loud applause.) He is not the man who "bestrides this narrow world like a Colossus" and leaves others to walk under his large legs in misery and want. No. He prefers to comfort the sorrowing; assuage the pangs of the afflicted; soften the widow's grief, and dry the orphan's tearful eye. He elevates his fellow man, and prefers to carry him through difficulties on broad shoulders of true philanthropy

<sup>26</sup> *Ibid.*, p. 395.



instead of crushing him beneath the weight of his power. He has a large heart and hundreds of men are permitted to possess a key that opens its wicket.<sup>27</sup>

The apologist who wrote the Meiggs Manuscript is equally enthusiastic in his praise of Meiggs the Philanthropist. He declares that "as to his generosity it is sufficient to record that his hand is extended to everyone." He makes also this interesting statement: "Learning of the misfortunes of Chigago [*sic*] he gave more than all the monarchs and millionaire bankers of the world."<sup>28</sup> This witness also states that at the time when he wrote, Don Enrique was paying for the training in architecture of ten needy young men. It is quite probable that the exaggerated praises of Lawton and the *apologia* of the Meiggs Manuscript had a common inspiration, for they were produced at very nearly the same time.

How are the Meiggs philanthropies to be explained? Were they an expression of the adage which Casos puts into Don Enrique's mouth, "Sow sympathy, reap dollars"?<sup>29</sup> Or were they the spontaneous work of a truly generous heart? Dr. Casos was certainly no friend of Meiggs, and too great confidence must not be given his statements concerning him. But Vicuña Mackenna was just as certainly a warm friend of Don Enrique, and he said of him in the previously cited letter to Bartolomé Mitre: "He is extremely generous and sows with pleasure thousands in order to gather millions." Here is a remarkable similarity in statements from two quite independent sources—so remarkable, in fact, as to warrant a strong presumption that the adage, Sow sympathy, reap dollars, was one of Meiggs's favorites and that in it is to be found the explanation of much of his open-handed charity.

<sup>27</sup> *Callao and Lima Gazette*, Sept. 16, 1871.

<sup>28</sup> Verification for this statement was sought in vain. The only fact come across that is associated with the famous Chicago Fire and aid for its sufferers is an entry in one of the books of the Meiggs Papers—copy of a letter—that reads: "Enclosed I beg to hand you List of Subscriptions for the relief of the sufferers by the Chicago Fire amounting to \$203, and J. L. Wetmore's Draft at 3 days sight on Henry Meiggs for that amount. Mr. Wetmore is Agent & the other subscribers employe's of the Oroya R. R. at the further end of the Line." The letter is directed to D. J. Williamson, U. S. Consul at Callao, and is dated Dec. 14, 1871 (Letter Book 5, p. 218).

<sup>29</sup> *¡ Los Hombres de Bien !!*, p. 117.

While Don Enrique doubtless gained a degree of personal satisfaction from his benefactions, he was probably fully conscious of the effect which they would have on his position before the public, a public whose favor was very important to him. He was not a miser; he had no miserly tendencies. But he could not be unaware that much of his money was gained by somewhat questionable means. It is possible that his generous giving—in addition to being good business—served as a balm to an uneasy conscience. His years in Latin America made him an expert in the psychology of its people. His ready charity could have been all of a piece with the bombastic declarations of unselfish service to the nation (where he happened to be) and its people which adorned his public speeches—designed to produce an atmosphere favorable to his financial operations.

Don Enrique was fully aware of the value of a "good press." He was quick to get into the game of subventions to the makers of public opinion. González Prada declared that the Peruvian press "sold itself to the guano consignees, to Dreyfus, to Meiggs."<sup>30</sup> It is not known specifically what paper or papers, if any, of Lima were subventionized by Don Enrique, though *El Comercio* and others were certainly friendly to him. But *La Bolsa*, of Arequipa, was actually equipped by him.<sup>31</sup> And when Hector F. Varela, an Argentine, visited Lima in 1872, selling shares in a company which he was organizing to publish in Paris a Spanish language monthly, *El Americano*, Meiggs was most cordial to him. Varela declared that Meiggs asked the privilege of buying all of the shares that were destined to be sold in Peru. He quoted Don Enrique as having written him: "Furthermore, I beg that you will accept *a personal subvention of ten thousand soles annually, and for the period of three years, you being able to secure this very day as well the value of the shares, as of the total amount of the subvention.*" Varela says he "refused the spontaneous offer," conceding to Meiggs only fifty shares of stock and "leaving to

<sup>30</sup> *Bajo el Oprobio* (Paris, 1933), p. 66.

<sup>31</sup> J. G. to Henry Meiggs, June 11, 1870 (Meiggs Papers, Letter Book 1, p. 335); same to John Campbell, May 17, 1871 (*ibid.*, Letter Book 3, p. 306). In the second letter John G. wrote: "As to the 'Bolsa' as every type and press and all were paid for by Don Enrique, it is quite the recompense to be expected" (i.e., that the paper should attack Meiggs).

the regular action of time the fulfillment of the second part of his generous commitment" (!).<sup>32</sup>

This investment paid dividends in laudatory articles respecting Meiggs and his operations which were published in *El Americano* and copied in Peru. Quite probably they were also reprinted in European periodicals, where Meiggs expected that the publicity would aid his financial operations.

Akin to the treatment given Varela was that accorded William H. Hurlburt, an editor of the *New York World*, who in 1873 made a journey on the Pacific coast. Letters were written from the Lima offices of Meiggs to individuals in Arequipa, Iquique, and Santiago, urging them to extend every courtesy to Hurlburt.<sup>33</sup> This was not, of course, an unusual or a sinister action.

It was also Meiggs's custom to give passes over his roads (in the—at that time—good old North American fashion) to influential individuals. In midyear of 1870, when the Arequipa line was nearing completion, John G. wrote to J. B. Hill at Mollendo: "I have given Sr Jose Sebastian Goyeneche, a letter to you asking you to be good enough to pass him over the line in good shape. He is a strong friend, and it will *pay* to show him attention."<sup>34</sup>

A custom of kindred import was that of giving employment on good terms, more or less irrespective of their capabilities, to sons of families of influence. A case in point is that of the Castilla brothers. On September 23, 1870, John G. wrote John Campbell:

Don Enrique has engaged also Francisco Castilla & Exaltacion Castilla at a salary of S/80 *soles* per month each to commence from the 1st of Oct, and has advanced each of them one months salary in advance their duplicate receipts you will please find enclosed— Don Enrique has engaged these men in order to "capture their uncle" who is a Diputado [Deputy] from Cuzco— They look like good *working men*, and if you find they are not, you can discharge them after Congress adjourns.<sup>35</sup>

<sup>32</sup> *El Americano*, March 7, 1872.

<sup>33</sup> Meiggs Papers, Letter Book 9, pp. 218, 219, 221.

<sup>34</sup> *Ibid.*, Letter Book 1, p. 304.

<sup>35</sup> *Ibid.*, p. 557.

The visit to Peru of the great naturalist, Louis Agassiz, in the course of his studies on the Pacific coast of the Americas, gave Meiggs an opportunity to gain some desirable publicity while honoring a world-famous scientist. The *South Pacific Times* of May 30, 1872, carried a report of an excursion made in honor of Professor and Mrs. Agassiz. The guest list of some forty persons included, besides the guests of honor, Major Williamson, United States Consul to Peru, Commander Johnson and eight others of the staff of the United States surveying ship *Hassler*, a Dr. Jones of the U. S. Flagship *Pensacola*, Commander Kennedy and five other officers of H.M.S. *Reindeer*. John G. Meiggs and his wife and, of course, Don Enrique, were of the number. A special train of three coaches—the third “a refreshment car, an appendage always considerably regarded by Mr. Meiggs as an indispensable requisite”—made a run up the Rímac Valley as far as the Oroya road had been completed.

Everything was orthodox. Champagne went around, and there was a little speech-making. Mr. Meiggs in felicitous terms, expressed the pleasure afforded him by the occasion. He alluded specially to his distinguished guest, Professor Agassiz, and to the fact that the guests were assembled on the worthy professor's birthday. He had much pleasure, therefore, in proposing “The health of Professor Agassiz and Mrs. Agassiz.” Due honor was paid to the toast. The Professor responded in brief terms. He said, during his short visit, and although only about forty miles from Lima, still he had seen Peru, because he had seen one man—Henry Meiggs—who was transforming the country, who would be its moving spirit in the future, and who was now shaping its destiny.

Any sketch of the social side of Henry Meiggs's life must give some attention to his relations to his family. It has been seen how faithful John G. had been to him at the time of his California difficulties and how he returned to assist him in Peru when his fortunes were in a much better state. A nephew, Jacob Backus, with his family, also joined him in Peru, as did Henry Meiggs Keith, son of another of Don Enrique's sisters. Besides these relatives and various others (the author of the Meiggs Manuscript declares that thirty of Meiggs's family were around him in Peru) there were the members of his



immediate family. The second Mrs. Meiggs, it will be recalled, died in Chile. So, when the move to Peru was made, the family consisted only of Meiggs and three sons and a daughter. In 1868 their ages were: Henry Hoyt, 23; Manfred Backus, 20; Minor Keith, 16; and Fannie Kip, 12. The eldest son developed into a rather capable man. He was for several years a partner of Charles H. Watson in the firm of Watson and Meiggs at Valparaíso. But none of the sons ever approached his father in ability and daring.

Manfred Backus appears to have been the favorite son. While yet quite young, he married Lucrecia Soto, of Santiago, and before his death in 1875 had fathered four children.<sup>36</sup> Don Enrique, in 1870, made Manfred (or Manfredo, as his father often called him) superintendent of the nitrate works which he owned at Mejillones, then a part of Bolivia. The instructions and advice which the father gave the young Manfredo preparatory to his taking this responsible position reveal something of his own philosophy:

... it is always good policy to make as few enemies [*sic*] as possible. There is no man who lives, who cannot if he desires it, do you more or less harm

It is therefore best always, not to depreciate any person however insignificant he may be. . . .

You should have all your neighbors as friends—and no *enemies*—<sup>37</sup>

Some months later—apparently with the idea that he was soon to take over the direction of the works—Don Enrique wrote:

I hope my dear boy that you will show yourself capable of taking charge of the whole concern hereafter, as my agent there to treat with the Government and its agents— To do this you need to think much and study how to please everybody without apparent exertions on your part

... Do not under any circumstances consider yourself above anyone who tries to do well— Give all a chance and the preference to those who really merit it— Remember you are no longer a boy, and

<sup>36</sup> The youngest child died at the age of two, but the other three survive, all of them living in Peru. Lucrecia, the eldest, married Alfredo Valle-Riestra; the third, Fannie, married Jorge Briseño. Both live with their families at La Punta, Peru. The son, Manfredo E., lives in Lima.

<sup>37</sup> Lima, Jan. 9, 1870 (Valle-Riestra Family Papers).

that you have to make your [way] in the world independently of myself—

Keep your head *clear* on all occasions and do not allow any one to over-reach you with soft words & promises

A steady, straightforward [*sic*] course will always win, and will give you the position you desire

Remember the old maxim of "Keep your mouth shut & your eyes and ears open" and attend to your own business

Never enter into disputes between parties of different *naciones* [*sic*] or take sides in politics It will ruin anyone who does so—<sup>38</sup>

One more passage from a letter to Manfred: "I cannot of course know anything in regard to the revolutionary movements, but my advice *now* and *always* is for you to take no part, nor give any opinion in the matter, and beg all in our [employ] to do the same, as it is very easy, by a single word to get us all into trouble We are *foreigners and working men* & have no right nor any desire to take part in the political movements of the country in which we came to gain our subsistence. . . ."<sup>39</sup>

Sometime in 1871 Manfred returned to Santiago and, except for one voyage to Lima on the occasion of his father's serious illness in 1875, he remained there in the "Quinta Meiggs" until his premature death in the latter part of the year mentioned.

The daughter, Fannie Kip, was a fine-looking young woman. It has been seen that she earned special mention in the account of her father's grand ball at Arequipa, despite the fact that she was then scarcely fifteen years old. She was not charmed by the social life of Lima, if the spirit of this rather priggish letter to her brother Manfred is typical of her usual feeling: "Won't you bless the day (backwards) when you start to Peru, this delightful country! It is the best place to leave I ever saw. . . . The Duke of Genoa is soon expected here & I imagine will cause quite a sensation among the people of Lima. I don't think however that they will put themselves out of the way for His Royal Highness; they are too dead &

<sup>38</sup> Lima, July 26, 1870 (*ibid.*).

<sup>39</sup> Lima, Aug. 11, 1870 (*ibid.*). The revolution regarding which Manfred had apparently asked his father some questions was one that was brewing in Bolivia.

alive & don't know what fun means. Most *charming* people these!"<sup>40</sup>

(It is quite probable that the Duke of Genoa, when he came to Lima, was entertained by Don Enrique in his usual grand style. For, among the mementos which a grandson possesses, is an engrossed certificate which proves that Victor Emmanuel II conferred upon Meiggs a decoration, making him an officer in the Order of the Crown of Italy. The certificate is dated June 18, 1875, a little more than a year after the Duke's visit to Lima.)

Eventually Fannie Kip encountered in Lima one who did not inspire an upturned nose. In 1876 she married Alexander Robertson, an Englishman of the firm of Sawers, Woodgate, and Company. The wedding was a brilliant affair. Concerning it, Charles R. Flint, an associate of the Grace Company, after saying that in 1876 Meiggs "continued to impress everyone as a superman," wrote: "I attended the wedding of his daughter at the Meiggs' residence in Lima. It was staged with the usual magnificence of a Meiggs function and was a grand social event. At the wedding feast a solid silver service was used, that had been exhibited in New York by the maker and which cost \$25,000. Don Enrique was then the most popular man in Peru and at no time in his career did he have a more commanding presence."<sup>41</sup>

The Meiggs Manuscript contains some statements concerning Don Enrique's personal habits which can perhaps be accepted as authentic. He was an early riser, an indefatigable worker, looking after his affairs with promptitude, clarity, and full knowledge. "He is never taken by surprise; nothing causes him astonishment." He was quite temperate, taking wine only on very special occasions. He had a "pronounced liking for construction projects"—a statement which certainly can be taken at its face value. And because of this fact, says his apologist, "it follows that he always lives among drafts and strips of paper, and that when he has any free time he passes it bent over immense rolls of paper, covered with figures, signs, and lines. His private office, his bedroom even, is found con-

<sup>40</sup> Lima, March 25, 1874 (Valle-Riestra Family Papers).

<sup>41</sup> *Memories of an Active Life* (New York, 1923), pp. 53-59.

stantly littered with notebooks and bundles of paper of diverse size and form. . . ."

And, respecting Meiggs's old love, music, this apologist wrote:

But the greatest attachment which he has is that for music, which he has known well from his youth and which he has cultivated in the midst of good teachers. The hours of relaxation in his home he employs in listening to the chords of the piano which some of the ladies of his family play to perfection. And such is the influence that music exercises on Meiggs that we have seen him pass through transitions of character, imperceptible in a man who, like him, has great self-control

Certainly, in the early 1870's, Henry Meiggs enjoyed an exalted position in Peru. He continued in that position, more or less, to the day of his death, though greatly embarrassed financially in his last years. The prominence which he enjoyed just after the inauguration of the Arequipa Railway is well illustrated by the fact that at that time one Lizardo Nicolás Timoso formed the project of publishing a book, "The Meiggs Anthology," in which were to be collected "the poetic perfumes" which had "glowed in the censer of Mr. Meiggs." The volume was to contain—

The classical poetry of don Manuel Castillo,  
The eloquent poetry of don Juan de Arona,  
The sublime stanzas of don Pedro Elera, and  
The delicate royal octaves of don Aníbal Ramírez.

These lines from the prospectus reveal the motive—at least the ostensible one—for the publication: "The name of Henry Meiggs is a glory for the Peruvian people. . . . The name of Meiggs and of Bolívar can shine alongside each other like two constellations of equal brilliancy without eclipsing each other."<sup>42</sup>

No copy of the published work has been discovered, though one comes across many of the poems that were to have been included in it. After all, perhaps it was not printed. But even so, there is every reason for believing that Henry Meiggs—with all of his weaknesses and all of his great powers—was at the time the brightest star in the Peruvian firmament.

<sup>42</sup> *El Nacional*, March 17, 1871.



## XIV

### DEBTS, DREYFUS, AND DEATH OF BALTA

FRANCISCO PIZARRO had his Atahualpa; Henry Meiggs, his Balta. The Spanish conquistador, having by a ruse gained possession of the Inca's person, exacted a ransom of golden articles which, when brought together from the four corners of the empire, filled a large room to a line as high as the emperor—a man of generous stature—could reach. Then, having no further need of the unfortunate Inca, the Spaniard murdered him. The Yankee conquistador, by skilful maneuvers, aided by influential and grasping Peruvians, induced the president of Peru to plunge his country into a financial orgy which, before it had run its course, had floated in foreign markets loans that amounted almost to the “two hundred little millions” of Dr. Casas’ phrase, most of it for the railways which Meiggs contracted to build. And President Balta, on the eve of completing the four-year administration to which he had been elected, paid with his blood—as had Atahualpa—at the moment when the ship of state was about to crash upon the pitiless reefs of financial ruin. Meiggs, like Pizarro, lived a few greatly troubled years after his initial conquest, though he had not—like his Spanish prototype—the occasion or the opportunity, when dying, to draw a cross upon the pavement with his own blood. (It is an interesting coincidence that death came to both Pizarro and Meiggs just nine years after they had established themselves in Peru.)

The gold Pizarro secured had already been refined by the Indians. That which Meiggs garnered had first to be transmuted—from guano, the manure of birds.

When Meiggs went up to Peru, the country was importing and consuming three times its natural production—omitting

guano from the category of natural products—and this had been the case for several years. The difference was paid in guano, the exhaustion of which was not yet plainly in sight, though some of the more thoughtful Peruvians foresaw its coming. One of the arguments for building railways and other public works advanced by Manuel Pardo and those who shared his manner of thinking was that such agencies would increase the production of the country and enable it to face the economic problems of the day when guano would be no more. Let the remaining fertilizer, they urged, be turned into productive and lasting public works.

It was imperative that some means be found for making profitable use of this millennial gift of the birds. According to the report of the finance minister for 1868, from November, 1840, when the first Peruvian guano was sold abroad, to the end of 1867, something more than seven million tons of the material had been taken from the deposits. The income from this immense quantity, the minister stated, was S/218,693,625. But, at the beginning of 1868, Peru had a debt of S/45,000,000 and a current budgetary deficit of S/15,000,000!<sup>1</sup> Despite the exploitation of this great source of wealth over a period of almost thirty years, the country was in worse, rather than better, economic condition.

What had become of all this money? The part which went to the government had been devoted chiefly to paying the costs of suppressing revolutions and fighting the war with Spain. The remainder, by far the greater part, had gone to the enrichment of private individuals. So far as public interests were concerned, it may be said that it had been wasted.

It was under these circumstances that the new revolutionary government of General Diez Canseco and Dr. Polar had made with Meiggs, early in 1868, the contract for building the Arequipa Railway. The home city of these gentlemen must have the railway—its just reward for heroic services in overthrowing the preceding regime and re-establishing “constitutionalism.”

<sup>1</sup> J. M. Rodríguez, *Estudios Económicos y Financieros y ojeada sobre la Hacienda Pública del Perú y la Necesidad de su Reforma* (Lima, 1895), pp. 294-297.

The transitory Diez Canseco government did nothing toward rebuilding the national finances or the national economy. When Balta came into office in August, 1868, he confronted a difficult situation. His first finance minister, Francisco García Calderón, an honest and intelligent man, found himself unable to do anything effective. He told Congress the truth about finances and suggested a number of alternative procedures. Congress, incapable of meeting the situation realistically and feeling its impotence, refused to adopt any of the alternatives which he proposed. Disgusted, he resigned his post.

It was at this juncture that Nicolás de Piérola was called to the treasury—the man who, González Prada declared, deserved to be called Peru's "man of ill omen par excellence." In an appearance before the Chamber of Deputies early in January, 1869, the new minister made these indefinite remarks:

I believe that our bankruptcy is suppositious: We have resources, not at once, because that is impossible; but we have resources. The mission of the Government and the Chambers ought to be to join together in raising the credit; but this can only take place later, after the public necessities are satisfied; meanwhile the urgent object, the surpassing obligation of the Public Power, is now to raise a loan, which neither destroys the former nor ruins us, while we change our situation.<sup>2</sup>

Some days later, before the same body, he declared:

However great be the dilapidation, however little may have been our skill in applying those sources of wealth [guano], the case to me is not desperate: we are certainly on the edge of the abyss, but we have not fallen into it. . . . I am small, I have few resources, I cannot offer to the country, nor to the Legislative Power, great combinations, nor the prestige of a colossal figure, though something less than modest: but with your efficacious assistance, I believe that the situation, which is not desperate, will be saved.<sup>3</sup>

(If Piérola had not been a man of intense pride, one would suspect him of having perpetrated a pun when he said, "I am small," and confessed that he was not a "colossal figure." For he was, in fact, so short as to be almost diminutive. González Prada declared that he wore shoes with three-inch heels in order to add to his stature.)

<sup>2</sup> *Ibid.*, p. 273.

<sup>3</sup> *Ibid.*

In the remarks quoted, there was not even the hint of an effective plan. But the minister requested Congress to confer upon the executive broad powers to enable it to meet the situation. Congress, having no program of its own, did so. On January 26, it passed a law by virtue of which "*the Executive Power was authorized to procure the funds necessary to meet the deficit which existed in the Budget.*"<sup>4</sup>

In taking this step, the present, as far as Congress was concerned, was saved—but the future? Well, that was another matter, and few men in authority had nightmares about it.

Even before Congress passed the enabling act, the government, to meet its pressing needs, had borrowed S/2,000,000—already exhausted when Congress acted. The sole recourse open to Piérola was to secure more loans. Immediately, advances equaling some S/10,500,000 were procured from the guano consignees.<sup>5</sup> But this measure, too, could be but temporary, most of the sum being needed immediately to meet current expenses.

And this is the point where the figure of Auguste Dreyfus, a French financier of Jewish extraction, enters Peruvian history. In the last three years of Balta's administration, loan contracts made by the national government with Dreyfus amounted to S/164,765,000. These loans are usually denominated in Peruvian history by the years in which they were made—1869, 1870, and 1872.

In general, the manner of handling guano previous to 1869 had been by consignment. That is, the government, having declared the deposits of guano national property, made contracts with various individuals or companies to sell it in foreign markets—chiefly in European countries, with their colonies, and the United States. The government paid the cost of getting out the fertilizer and loading it aboard ship, and the freight to the selling point. The consignee received it at the end of the voyage and disposed of it on a commission basis. Actually, the government profited little from the business, though the gains of the consignees—Peruvians by preference—were often great. The continuance of this system gave no promise of providing the funds needed by the Balta govern-

<sup>4</sup> *Ibid.*, p. 274. Rodríguez' italics.

<sup>5</sup> *Ibid.*, p. 302.



ment. Hence it was abandoned, and a new system was instituted, one which seems to have been suggested by Auguste Dreyfus.<sup>6</sup>

The new plan of finance called for the floating of a great loan on the basis of a new system of handling guano. In order to embark upon this new departure, the government had asked and received the general authorization of the law of January, 1869. In conformity with the plan, a decree was emitted in March fixing the bases on which two million tons of guano were to be sold in Europe, and eliminating the system of consignment. A commission was to be sent to Europe to make the necessary arrangements.

Soon after its arrival in Europe, the commission received several proposals. The one finally accepted was presented by Dreyfus Brothers and Company, the firm of Auguste Dreyfus, who, it is said, had already discussed it privately with Balta and Piérola. The contract was signed on August 17. It is of primary importance in the economic history of Peru.

Dreyfus Brothers and Company obligated themselves to buy two million tons of guano when the contracts of the consignees should have expired (none of them was made originally for more than four years), and to take over from the consignees whatever stocks they might be holding at the termination of their contracts. In the meantime, Dreyfus would turn over to the government S/2,000,000 in two monthly payments and for each following month would make to the government a payment of S/700,000. He would cover, besides, the service of the foreign debt, which entailed a sum of S/5,000,000 a year. In this manner, at the end of the first year, Dreyfus would have turned over to the Peruvian treasury some S/14,000,000. These advances, as well as those later to be made, would carry an annual interest of 5 per cent; and besides, Dreyfus would receive a premium of 4 per cent on the net product of the guano which the consignees should sell during the closing period of their contracts, equivalent to 5 or 5.5 per cent on his money. As a guarantee and to reimburse themselves for the sums advanced, the contractors—i.e., the

<sup>6</sup> César Antonio Ugarte, *Bosquejo de la Historia Económica del Perú* (Lima, 1926), p. 135.

house of Dreyfus—would receive from the consignees the net proceeds of the guano after recovering the loans which they had made, devoting these remittances to the payment of interests on behalf of the government. Other important clauses were those which (1) gave Dreyfus a monopoly on the sale of guano in the markets of Mauritius and of Europe and its colonies, with the exceptions of Cuba and Puerto Rico; (2) provided for the sale of guano at the uniform price of £12.10; (3) provided for the lowering or raising of the purchase price in relation to fluctuations in the selling price, 25 per cent of the increase, if there should be any, to go to Dreyfus; (4) provided for the mortgage of guano and of all the income of the nation in guarantee of the advances made by Dreyfus; (5) conceded to Dreyfus charge of the financial agents of Peru in France during the period of the contract; and (6) declared to be under the jurisdiction of the Peruvian tribunals whatever differences should arise under the contract.<sup>7</sup>

Peruvian economists and historians of a later day agree that the Dreyfus contract represented a great improvement in the management of guano.<sup>8</sup> Its provisions in themselves were not bad. Nevertheless, much evil followed in its wake.

One of the consequences of the contract was that a large class of influential Peruvians—in general, those that had been making fortunes as guano consignees—grouped themselves, for obvious reasons, in bitter opposition to it. They carried the fight to Congress and the courts. The subject became a matter of national controversy; everyone discussed it and took one side or the other. Probably as many as two hundred articles on the subject were published in Lima's newspapers in the course of six months.<sup>9</sup> A paragraph from Dávalos y Lissón describes succinctly the more important features of the no-quarter fight:

The judicial controversy provoked by the consignees augmented public agitation and gave new opportunity to the national writers to continue treating the economic question in a form each time more impassioned. Dr. Pérez took the defense of the capitalists before the

<sup>7</sup> *Ibid.*, pp. 136-137.

<sup>8</sup> *Ibid.*, p. 139; Rodríguez, *op. cit.*, p. 305; Dávalos y Lissón, *op. cit.*, IV, 241-244.

<sup>9</sup> For several such articles, see *El Comercio* for the dates Aug. 10-31, 1869.

Supreme Court, and Dr. Luciano Benjamín Cisneros that of Dreyfus, Minister Piérola having given the salient note of the process when he declared in a report which he presented to the Supreme Court that whatever might be the outcome of the case, the Government would go ahead with its contract [!]. No less long and heated were the debates which were produced in the bosom of the Permanent Legislative Commission<sup>10</sup> and even in the intimacy of the Ministry itself, whose members Barrenechea, Velarde and La Rosa were in disagreement with their colleague Nicolás de Piérola. A crisis at last being provoked, the five leading ministers were supplanted by Juan Francisco Balta, Mariano Felipe Paz Soldán, Colonel Secada, Dorado, and Angulo. This last, who was Director of Accounts, as Minister of the Treasury.<sup>11</sup>

Despite all opposition—including an adverse judgment of the Supreme Court—the government held firm to its course and proceeded with the execution of the contract.

Another consequence of the contract was that it bettered immediately Peru's credit abroad. The bonds of the foreign debt rose at once from 50 to 98, at the moment when the bondholders were preparing demands on their debtor.<sup>12</sup>

This improvement of the national credit, however, may be considered a misfortune, for it inspired a spirit of optimism which led to exaggerated borrowing and the formation of over-ambitious schemes of national development. The most preposterous of these was that of supplying the geographically handicapped, sparsely settled country with a network of standard-gauge railways. A caustic paragraph from a Peruvian historian will serve both to review briefly what has already been said in that connection and to present, respecting Meiggs's operations, a point of view not previously much emphasized:

With these enthusiasms and without any technical study a beginning was given by the Government to the most monstrous railway project which South America has had. None of our principal capitals [of departments] was forgotten in this national economic vortex, and without prior studies or orientations toward national convenience, there were contracted with Meiggs railways for Cuzco, Puno, Huaraz, Cajamarca, Oroya, Piura and Moquegua. The contractor, interested in increasing the cost of the works in order that his profits might be greater, not only

<sup>10</sup> A group of legislators who represented Congress when that body was in recess and who were chiefly concerned with preserving the constitution.

<sup>11</sup> *Op. cit.*, IV, 246-247.

<sup>12</sup> *Ibid.*, IV, 244.

recommended to the Government the broad gauge (1.44 [meters]) when the narrow of one meter was the necessary one, but his engineers squandered the fiscal money in the construction of stupendous works of art. Viaducts, like that of Verrugas, and that which crosses the Chili River at the departure from Arequipa, each of which cost a million *soles* and which could have been avoided by changing the route, were constructed intentionally and solely with the object of making the work more costly. The same happened with the Galera tunnel, it being possible, as has since been done, to pass the road [across the summit] by Morococha. Neither was there wisdom shown in the ports selected as points of departure or places by which the road should run. The Arequipa line, which ought to have gone out from Islay and which ought to have cost only eight million *soles*, was begun at Mejía, giving it a greater distance by 50 kilometers and a greater cost by seven millions. That of Callao to Oroya ought to have been made by San Damián, following the canyon of Lurín; that of Huaraz, by Huacho, Supe, or Huarmey; that of Cajamarca, by the *quebrada* of Chicama; that of Pisco to Ica, following the valley of Pisco. That of Ilo to Moquegua was, and always will be, from any point unnecessary. We do not say the same of that which was raised from Arequipa to Puno, but we do say that at the time when it was built, it served only to favor Bolivia.<sup>13</sup>

The Dreyfus loan of 1869 for the time re-established Peru's credit. If the government had been content to live modestly and honorably in the future, this deal, in all probability, would have marked the salutary reorganization of the national finances. But the betterment of credit, with the possibility it brought of floating further loans, presented too great a temptation to the Balta government. The ink was scarcely dry on the first contract before a new Dreyfus loan was being negotiated. And, almost simultaneously, contracts were being made with Meiggs for the construction of the Puno and the Oroya railways. The reader will recall that these contracts bear the date of December 18, 1869.

As soon as Dreyfus saw his contract of August, 1869, rati-

<sup>13</sup> *Ibid.*, IV, 255. Some of these points are controversial. There was some preliminary study of all the routes, but there is general agreement nowadays that it was insufficient. The road here called that of Cajamarca is the same as that previously designated Pacasmayo. The Piura road was not built by Don Enrique, but by Federico Blume; nor did Meiggs build the Pisco-Ica road. A branch line has actually been built across the summit of the Andes at Morococha and the Galera tunnel has thus been proved to have been unnecessary, as here stated.



fied, he prepared to float for the government the loan for railway construction which was made possible by the law of January 15, 1869. This law had empowered the government to build several additional railways—as many, in fact, as it might consider desirable—and to issue bonds in payment therefor, the conditions of their issue and amortization being stipulated.<sup>14</sup>

It has been said that Balta had promised Meiggs that he might handle this loan. But as this did not suit Dreyfus and as he was able to point to a stipulation in his contract which supported his claim, the promise to Meiggs (if one had been made) was violated.<sup>15</sup> This disregard of a promise did not affect Meiggs greatly, for it was not long until he was in close financial relations with the house of Dreyfus. That company, in fact, represented him in Europe for a number of years. A field for interesting speculation is opened by the statement which Don Enrique made in a letter to a business acquaintance. "I have," he wrote, "*very* powerful reasons for transferring my agency to Messrs. Dreyfus. . . . There are reasons 'which cannot well be explained on paper' for all I have done and I know you will readily appreciate them."<sup>16</sup>

Pursuant to the decision to float another loan, the government commissioned J. M. La Torre Bueno as its representative to arrange in Europe a loan of S/59,600,000—the total, plus S/600,000, of the contract prices of the Puno and the Oroya railways. On May 19, 1870, the commissioner made arrangements for the loan with the house of Dreyfus. The stipulations were that the bonds should be sold at not less than 80 per cent of face value, that they should bear interest at the rate of 5 per cent, and that there should be provided an amortization fund of 2 per cent, payments to commence after ten

<sup>14</sup> See pp. 85-86.

<sup>15</sup> Ph. Bouillet, *Los Empréstitos del Perú y el sindicato Dreyfus, Premsel, Société Générale* (Lima, 1878), pp. 31-32. This pamphlet is a scathing attack on the methods of Dreyfus and his collaborators. The author was a government official of lower rank at the time of which he wrote. There is an extensive pamphlet literature on the Dreyfus contracts, most of it highly partisan.

<sup>16</sup> To F. M. Schwartz (Lima), March 27, 1871 (Meiggs Papers, Letter Book 3, p. 28).

years. The loan was to be guaranteed by all the national income, especially that from customs, and by the property of the railways under construction.<sup>17</sup>

When the bonds were placed before the public on June 8, subscriptions equaling four times the amount of the loan were quickly made.<sup>18</sup> Later in the year, by an additional contract with Dreyfus, it was agreed that the house should retain S/300,000 each month (to be deducted from the monthly payments which Dreyfus was making under the contract of 1869) and apply it to the service of interest on the loan of 1870.<sup>19</sup> It is well to note this decrease in the government's fixed income as established by the Dreyfus contract of 1869. It is the first of a series.

As was to have been expected, the resounding success of this loan merely increased the financial giddiness at Lima. Very shortly (January 24, 1871) a law was emitted which authorized the flotation of a new loan of S/75,000,000. Of this amount, S/10,000,000 was to be devoted to certain coastal irrigation projects, the rest to the construction of more railways. It was the anticipated funds from this loan that were to pay for the remainder of the railroads which Meiggs undertook to build.

Again it was the Dreyfus house that managed the *negocio*. The initial contract, made on July 7, 1871, was brought to final form in March of 1872. The bonds were to be sold at not less than 75, with 5 per cent interest, and an amortization of 2 per cent. By Article 16, Dreyfus was authorized to extend the emission to an amount sufficient to refund the previous national loans—those of 1865, 1866, and 1870. This was actually done in 1873, the added amount being S/109,000,000. Dreyfus undertook to service the new debt during the existence of his guano contract, it being preferred after the debt of 1870. The new loan was guaranteed by guano, customs receipts, and the railways.<sup>20</sup> The additional contract of December 31, 1871,

<sup>17</sup> Ugarte, *op. cit.*, p. 140.

<sup>18</sup> See report of La Torre Bueno to the finance minister in *Documentos Parlamentarios*, 1870, "Memoria del Ministro de Hacienda y Comercio, Anexo 5," p. 273.

<sup>19</sup> Ugarte, *op. cit.*, p. 140.

<sup>20</sup> The texts of the contract as of July 7, 1871, and December 31, 1871, and

determined the conditions under which the loan was to be made. If it should not be subscribed to its entire value, the unsubscribed portion was to be emitted in bonds as if it had been fully subscribed. These bonds would remain in the possession of the parties and at the disposition of the government, it being understood that they would be turned over to the contractors of public works or sold on behalf of the Peruvian government.

The loan of 1872 was as dismal in its failure as that of 1870 had been brilliant in its success. It was offered to the public at 77½, and the public took only S/1,150,000. The only other portion sold was the S/20,000,000 which, under the contract, the Dreyfus house was to take—increased the following year to S/30,000,000.<sup>21</sup>

One of the reasons for this failure was that, when the loan was given to the public, France was floating the greatest national loan in its history to that date in an effort to clear its soil of the German army of occupation which had remained after the conclusion of the Franco-Prussian War. Much of the loose capital of Europe was invested in French bonds, considered a much better risk than those of Peru. The international situation was further perturbed by the *Alabama* claims controversy between the United States and Great Britain, a legacy of the Civil War. Moreover, in Peru the public-works program was being attacked in certain quarters as unsound<sup>22</sup> and some of the guano consignees and their friends were spreading in Europe reports of precarious conditions of the finances of their country.<sup>23</sup>

Another reason—in itself an adequate explanation, perhaps—was that the loan of 1872 followed too closely after that of 1870. Both were large for such a country as Peru, and the government's evident tendency to plunge inspired distrust.

certain "clarifyings" made by the government before final acceptance are in Dávalos y Lissón, *op. cit.*, IV, 273-282.

<sup>21</sup> *Ibid.*, IV, 282.

<sup>22</sup> See an excellent editorial from this point of view in *El Nacional*, Nov. 30, 1871.

<sup>23</sup> Such was the letter of Carlos M. Elias to the director of the Parisian paper *La Patrie*, published in the issue of March 17, 1871, in which he said: "Perhaps the day is near when, in spite of our proverbial riches, we shall find ourselves on

In his report to Congress in 1874, Juan Ignacio Elguera, finance minister under Balta's successor, revealed the three immediate consequences of the financial plan involved in the Balta-Dreyfus contracts:

1st. The emission of two successive loans, carried out in the space of two years, by a relatively small nation, for sums equal to those of the greatest loans of the largest nations and with services which absorbed the principal domestic income on which the country was living. These have been the premises of all the disasters which our credit has suffered.

2nd. The sudden introduction of the wealth negotiated for was bound to produce a rise in all values and serious agitation in all business, which was necessarily transitory and brought in its train a fatal reaction: if the railways were finished [as was the case with only that of Arequipa], their activity would not continue the impulse given by this capital; or if before their completion, the necessary consequences of the facts expressed in the preceding paragraph would interrupt the increased introduction of imports which had been realized in the years '70, '71, and '72.

From this cause were born the high cost of living, the creation of societies on credit rather than on real values, the prodigality of credit to favor venturesome negotiations, and, as a consequence of all of this, an imbalance in the normal march of industry, the natural result of which had to be, by a logical reaction, the failures which now confront us.

3rd. The third consequence, more tangible yet than those previously mentioned, consisted in the fact that being reduced to S/700,000 monthly, the sum which according to the contract of '69 constituted for Peru the disposable product of guano, and this sum alienated by its application to the service of the loans contracted in May of '70 and July of '71, free products of guano ceased to exist for the government, even though the sale of the fertilizer should be increased to the high figure which it had reached in previous years, since this increase would not change the sum of which the Government could dispose by the contract of August as the sole product of guano.

This must have been the cause of all the embarrassments which had the edge of a precipice." The writer branded the loan as illegal and added that Balta's successor (Pardo was already practically elected) would do justice to the illegalities committed by Balta (*Un Peruano, La Verdad sobre el Empréstito Peruano de 1872*, Bruselas, Oct., 1873, pp. 63-64).



to present themselves in an anterior administration, from whose income was eliminated the most secure and considerable part, without replacing it with any other income.<sup>24</sup>

As a Peruvian sociologist expressed it, in Balta's period Peru passed "body and soul into the power of Dreyfus, who gave millions with a prodigal hand, and of Meiggs, who received and managed them, letting them slide between his fingers."<sup>25</sup>

Let us examine the financial fortunes of Don Enrique in the years of Balta or, as some Peruvians described them, the years of "the Dreyfus government." Conveniently for this purpose, the leading newspaper of Lima, *El Comercio*, published in 1888 (when an effort was being made to satisfy in some fashion the bondholders who had been left "holding the bag" on the collapse of Balta's ambitious plans) a summary of the financial operations of 1870 and 1872, with some details of the manner in which the monies received were spent. In so far as *El Comercio's* report concerns Meiggs, these facts are set forth:

1. Of the loans which had been effected in the years 1862 to 1869 inclusive (that of 1866, by the way, about \$2,000,000, had been floated in the United States)—almost S/43,000,000 in all—Meiggs was paid on account of the Arequipa Railway S/12,161,000.

2. The loan of 1870—issued in bonds at a face value of S/59,600,000—was to be devoted solely to the building of the Puno and Oroya railways. After the expenses of flotation were cared for, there remained for Meiggs S/43,372,233.88, plus S/2,000,000 which under the contract was left (S/1,000,000 for each road) with the government as guaranty for the proper execution of the work. The issue, it will be remembered, sold at 80.

3. Of the loan of 1872, Don Enrique received various groups of bonds as payments on different works. Stated in

<sup>24</sup> *Documentos Parlamentarios*, 1874, IV, 26-29.

<sup>25</sup> Carlos Lissón, *Breves apuntes*, etc., quoted by Dávalos y Lissón, *op. cit.*, IV, 256.

cash values, about 60 per cent of the face value, these payments were as follows:

Pacasmayo-Calasñique Railway . . . . .	S/ 5,850,000.00
Ilo-Moquegua Railway . . . . .	5,025,000.00
Juliaca-Cuzco Railway . . . . .	7,858,710.59
Chimbote-Huaraz Railway . . . . .	6,464,644.37
Puno and Oroya Railways . . . . .	2,075,855.50
Uchumayo-Mollendo Aqueduct . . . . .	1,735,719.54

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S/29,009,930.00

Thus, Meiggs received from the Peruvian government, as payments on the projects mentioned, cash and bonds which together were supposed to represent a value in hard money of the considerable sum of S/86,543,163.88.<sup>26</sup>

However, possession of Peruvian bonds, even in 1870, was not calculated always to give the owner a feeling of comfort and security. Meiggs suffered much anxiety concerning the bonds with which, under the law of January 15, 1869, he was to be paid for work on the Puno and Oroya railways. He was hounded until the day of his death by the difficulties which he encountered in collecting for the works which were to be paid for, presumably, by the proceeds of the loan of 1872. It was the failure of the government to realize on this loan that eventually occasioned the cessation of operations on various roads which has been alluded to in previous chapters.

The original intention of the government and the expectation of Meiggs had been that, in payment for the Puno and Oroya railways, bonds would be turned over to Meiggs and that Meiggs would attend to placing them in foreign markets. There is among the Meiggs Papers the original document, dated March 9, 1870, which commissioned José F. Canevaro as agent to attend to the sale. Canevaro actually went to Paris; all this before Congress had finally approved the Dreyfus guano contract of 1869 or the loan of 1870 had been decreed. Meiggs's great interest in the spring and summer of 1870 was to dispose of his bonds profitably.

The government was slow in arranging for the printing of

<sup>26</sup> Quoted in Dávalos y Lissón, *op. cit.*, IV, 284-289.

the bonds, and in the meantime it gave the contractor what might be called I. O. U.'s, provisional certificates of indebtedness, which he used with the government's approval to obtain advances from the banks of Lima.<sup>27</sup> Meanwhile, preparations for printing the bonds went ahead while propaganda for their sale was being disseminated by Dreyfus and by Meiggs's London agents. The propaganda was decidedly successful. On April 14 John G. Meiggs declared to the London representative that he had been shown a letter "from Dreyfus Bros & Co to their *best friend*" in Lima (Piérola?) in which they stated that the bonds would go "like hot cakes, and asking this friend to hurry up the decrees."<sup>28</sup>

It must not be forgotten that the whole situation was complicated at this time by the fight in Peru over the ratification of the initial Dreyfus contract. If that contract should fail to go through, Don Enrique's situation would be bad indeed. On this point John G. wrote on May 13 a reassuring letter to Dreyfus Brothers in which he made this statement: "Don Enrique is still absent in Chili, but will return here in June ready for the meeting of Congress, and I feel assured he will devote his entire attention to the ratification of your contract, as he well understands that on the ratification depends not only your success but also his own."<sup>29</sup>

Sometime early in the spring a movement was set on foot—by Dreyfus, quite possibly—to have the government itself buy Don Enrique's railway bonds, once they were issued. The "inside" on this matter, or at any rate a part of it, is revealed in a letter which John G. wrote to Don Enrique. It sketches a suggestive picture of the international capital market of the day in so far as it was concerned with Peru. The letter, which is dated June 4, runs, in part:

I enclose the letters of Freundt, Gibson, Arioza & Canevaro, and I will bet you a big apple that the Govt will be the buyers of your bonds. I think that Dreyfus and Russo [Ruso, a Peruvian financier] have the thing cut & dried for a new loan for an amount sufficient to cover your

<sup>27</sup> *Los Ferrocarriles del Perú*, I, 127-128.

<sup>28</sup> To John Freundt (Meiggs Papers, Letter Book 1, p. 152).

<sup>29</sup> *Ibid.*, p. 242.

bonds and to absorb the 5% of 1865. I think they are doing all they can to frighten both Freundt and Canevaro to sell at about 76 to 78, when Dreyfus will introduce his new loan with a 5% interest & 3% sinking fund, receiving the 1865 bonds at par in Exchange for these bonds, or paying them off at Par. My reason for this belief is, that Dreyfus holds now about £1,000,000 of the 1865 bonds which he has bought from 77 upwards. It would be a grand negocio for him, Schroeder & Co and others to bag the whole that is to be obtained and redeem them at par, thus shutting out Thomson Bonar & Co and the whole tribe, and naturally by the very act of purchasing so many of the 1865 Bonds carrying up the price in the 90's and preparing the way for placing the new loan at 83 or 84 *at least*— This is the program *sure*, and the only danger to you is that Canevaro may compromise himself by the sale of a small amount say five millions, and compromise himself to give the balance at same price— All depends now on your instructions to Canevaro, written since you left here.<sup>30</sup>

John G., on June 20, again wrote to his brother, saying, "My prediction as to bonds is verified, and the Govt. will be the purchaser at 80% *net*. . . . Canevaro will have *nothing to do with the emission*. . . . This is a good solution to you."<sup>31</sup>

The government's act of taking over the bonds was consummated on July 7—at 79 rather than at the 80 prophesied by John G. The government would pay in cash or with letters on Europe, Dreyfus to be the agent. It was in this manner that Dreyfus secured the agency for floating the loan of 1870. The action was criticized in some Peruvian quarters as being both unwise and illegal.<sup>32</sup> To Don Enrique it was a highly desirable move since he was badly in need of money. The deal relieved him of a part of the uncertainty associated with the sale of the bonds, though, clearly, he was still interested in them. It was their sale that would provide the government with the cash needed to recompense the contractor for his works. Anxiety on this score was temporarily removed when the bonds of the 1870 loan sold so well early in July in the European market.

The Franco-Prussian War injected an element of worry

<sup>30</sup> Directed to Don Enrique at Santiago (*ibid.*, pp. 309-311).

<sup>31</sup> *Ibid.*, pp. 355-356.

<sup>32</sup> See an extended article of *El Nacional* quoted in *El Comercio* of July 20, 1870.



and loss into Meiggs's financial life. On August 8, Don Enrique was able to write his son Manfred: "*Our railway bonds*: were sold just in time, a month later would have injured me *terribly*— So we go; God is with us."<sup>33</sup> But the Divinity seems suddenly to have experienced a change of heart, for a month later Meiggs wrote to the same son, "The news from Europe are very bad for Peru. . . . I fear we shall have hard times here in consequence."<sup>34</sup>

The reason for these fears is revealed more clearly in a letter which John G. wrote to a New York correspondent:

Just at the present moment we are *all adrift* owing to the War in Europe. The Bonds for the Railways were emitted at 82 1-2% which was an excellent price. The first installment of 17 1-2% was pretty generally paid but the second of 15% due Augt has not, and will not be paid, owing to the "stay law" passed by the Legislature of France granting 30 days grace to all debtors, and which term we fear very much may be extended. In the meanwhile the Bonds have fallen say 10% and are only nominally quoted at that depreciation. All of this keeps us short, as we had made conditional arrangements which in ordinary events would have made us easy—<sup>35</sup>

On the same day, John G. wrote to another New Yorker, "I hope the next mail will bring news of the final close of the Career of Napoleon No. 4 [*sic*] He has cost us at least a million, and if I had him here he would get *choked*—"<sup>36</sup>

In letters to Campbell and Hill of October, the general manager informed them that Dreyfus was confined to Paris by the siege of the Prussians and that the installments on the bonds had not yet been paid.<sup>37</sup> And so, financial worries continued.

Affairs were in this state when work was commenced on the Pacasmayo and the Ilo-Moquegua lines. At the end of 1871 Meiggs declared that he had already expended S/4,000,000 on these lines, though he had received no payments from the government on account of them.<sup>38</sup> That Don Enrique should

<sup>33</sup> Valle-Riestra Family Papers.

<sup>34</sup> Sept. 16 (*ibid.*).

<sup>35</sup> To D. R. Martin, Sept. 20, 1870 (Meiggs Papers, Letter Book 1, pp. 542-543).

<sup>36</sup> To E. A. Jarvis (*ibid.*, p. 547).

<sup>37</sup> *Ibid.*, pp. 578-579, 581.

<sup>38</sup> To L. Keating (London), Nov. 13 (*ibid.*, Letter Book 5, p. 68).

have begun work on these roads under the circumstances then existing is certainly a tribute to his courage and his optimism.

In January, 1872, Dreyfus was refusing to honor orders for funds given Meiggs by the government until after the bonds of the 1872 loan should have been issued.<sup>39</sup> It may be said that from this time, as long as Henry Meiggs lived, his financial affairs were perpetually in a critical state.

If the sins of the Balta government were great, they were fearfully expiated. No previous political explosion of republican Peru's history is comparable to that which was witnessed at Lima and Callao in the days of July 22 to 27—the finale of the electoral campaign of 1871-1872. It was destined to affect greatly the fortunes of Henry Meiggs.

Since the beginning of independence, the presidential succession and militarism had been in Peru, as in a number of other Latin-American countries, twin problems—and very serious ones. It had become a fatal tradition that no president could quit office without having first made certain of a successor who would respect the ideas, the interests, and the persons of the incumbent and the members of his government. The most certain means of assuring such succession lay in the maintenance of a strong military force. That of Peru in 1872 numbered fifteen thousand, a considerable standing army for a country whose population was less than three million. These are, of course, the usual signs of dictatorial government which favors and protects the interests of a minority group as opposed to those of the citizens at large.

During Balta's administration ideas opposed to this regime gained acceptance among a number of intelligent and more or less influential persons. Most members of this group had not been office-holders, as they were not willing to make the compromises which office-holding entailed. They were highly critical of the Balta government and they felt that the people—who were losing faith in the public-works program as well as in the ability of the Balta government to carry it through successfully—were ready to support a campaign with a civilian

<sup>39</sup> John G. Meiggs to John Campbell, Jan. 31, 1872 (*ibid.*, Letter Book 5, pp. 484-485).

stamp. They advanced the proposition that the sole means of winning an electoral triumph was by peace rather than by war. They proclaimed, in opposition to the existing militaristic government, "a civil government, by civilians, with civilians, and for civilians." The leader of the new party was Manuel Pardo, a man of good family and considerable wealth. He had been a guano consignee (which *may* have had some influence on his actions) and had won some recognition as an economist. Of the leaders, he alone had held public office, once briefly as finance minister and later as director of the Beneficencia of Lima.

An impetus to organization and action by the new party was supplied on February 14, 1871, at the inauguration of work on the Ilo-Moquegua road, when the candidacy of Juan Francisco Balta as successor to his brother was launched. Juan Francisco was at the time Minister of War and the Navy. In this candidacy the evils of presidential succession and militarism were clearly linked. It seemed certain that President Balta meant to continue the old tradition. The "Civilists" accepted the challenge.

The new party had one meeting in Lima in April, another on May 3 in the Odeón Theater. It was in the course of an address on this occasion that Pardo used these strong words: "We are at a moment in which only light can strengthen our forces, in which only the truth can have value. . . . Parties have never been anything, because what each one of them represented has always been a lie occupying the place of truth, a force occupying the place of opinion. From that [have come] those empiric systems of our unhappy governments."<sup>40</sup>

On August 7 the new party organized a great popular demonstration. A parade of twelve thousand men wound through the narrow streets and the broad plazas of the old city. The supporters of the party were seen to be both numerous and enthusiastic.

As the party's strength became evident, "the old leaders who had made a fief of the Nation" became alarmed. They scurried about, consulting among themselves, and trying to

<sup>40</sup> Quoted in Dávalos y Lissón, *op. cit.*, IV, 296.

hit upon a suitable candidate to oppose Pardo. The choice fell upon General Echenique, an elderly gentleman of creditable record, a former president, and an actual member of Congress. The government party, supported by plenty of money, rallied around him and, for a time, gave the appearance of having a respectable force.

In the midst of this warm electoral struggle, an incident occurred in Lima which effectually disposed of the tattered remains of prestige which the government still possessed. The Italian population of the city, a numerous group, wished to celebrate, on September 20, the first anniversary of the taking of Rome by the new Italian state. They were refused permission by the authorities, but some thousands of them, nevertheless, came together in historic old Plaza Bolívar. While they were quietly listening to their speakers, government forces charged in from the six streets which enter the plaza and set upon them with ball and bayonet, dispersing them and injuring many. Public criticism of this barbarous act was strong and general.

It was in this disturbed state of affairs that the popular elections were held. Under the Peruvian constitution of that day elections were effected indirectly. The qualified voters chose men to represent them in electoral colleges in which the choice was actually made. The triumph of Pardo electors was general, both in Lima and in the provinces.

The Balta group, however, refused to cede the victory. Since it was evident that Echenique could not be elected, Balta decided to follow the unusual procedure of putting forward a new candidate for the final act of election. The man chosen was Dr. Antonio Arenas. As he was a civilian, it was hoped that he might draw some of Pardo's support. On November 2, Balta, in a manifesto, asked the withdrawal of other candidates in order that Arenas might be elected.<sup>41</sup> Arenas accepted the "call" and Echenique withdrew—but not Pardo. An effort was made to convince the public that the new candidate was not a representative of *echeniquismo*. But it was unsuccessful,

<sup>41</sup> *Callao and Lima Gazette*, Nov. 7, 1871.



for General Echenique himself declared, "Arenas . . . is another I."<sup>42</sup>

What was meant by the Balta forces to appear as a simple official recommendation began to be thought of as an imposition. In fact, subordinate officials were instructed to "go down the line" for Arenas. The press increased its attacks on the government, and the government reciprocated. The most dramatic incident of this feature of the struggle was the seizure of the editors of *El Nacional*, Manuel María del Valle and Andrés Avelino Arámburu. They were not tried, nor were they thrown into jail. At that period military barracks were regarded as centers of iniquity and perversion; so, to humiliate the critical editors in the worst possible manner, they were put into uniform and thrown into a barracks. There they were confined from October 28 to November 4, when they were released and the censorship of their paper was raised.<sup>43</sup>

Public opinion did not rally to Arenas' support, but the government continued its efforts to secure his election. Gradually the situation assumed a very grave aspect. Tomás Gutiérrez, an army officer who enjoyed a reputation for fearlessness and cruelty, was made Minister of War and the Navy, and the army was strengthened by a special forced enlistment. Moreover, Minister Gutiérrez placed two of his brothers, Silvestre and Marcelino, in key military posts, the former as commander of the fortress at Callao and the latter as commander of one of the best regiments of the army. On May 1, 1872, a parade of seven thousand soldiers was seen in Lima's streets, a demonstration which was repeated on July 15. The first of these shows of military power was staged five days before the date on which the electoral colleges were to meet for a final balloting on the president and other national officers. All this activity provoked general alarm. Nevertheless, Pardo was the choice of the electors. The great question then became

<sup>42</sup> Dávalos y Lissón, *op. cit.*, IV, 301.

<sup>43</sup> The numbers of *El Nacional* which appeared during the days of imprisonment carried in large type in the editorial column the text of Article 21 of the constitution of Peru: "All may make use of the press WITHOUT PREVIOUS CENSORSHIP; but under the responsibility determined by law." See issue of Nov. 6. The Nov. 7 issue carried a very strong editorial, proving that the harrowing experience of the editors had not greatly subdued them.

whether Balta and his supporters would yield the government on August 2.

Almost at the last hour—on the morning of July 22<sup>44</sup>—Balta decided to hand over the government to the people's choice. He was persuaded to follow this course by various persons, among whom different writers name his brother, Juan Francisco (whose candidacy had long since been abandoned), Arenas, Echenique, Melchor T. García, José Loayza, and Henry Meiggs.<sup>45</sup>

Tomás Gutiérrez protested Balta's recantation, but the President refused to be moved by him. Gutiérrez thereupon resolved to act on his own account. Having made what he thought were the necessary arrangements with his brothers and other officers who were in his confidence, in midafternoon of the twenty-second he seized the President and imprisoned him in one of the military barracks in Lima.<sup>46</sup>

From the purely private point of view, it was particularly distressing to Balta that the coup should have been attempted at this precise time. On the very evening of his seizure, one of his daughters was to have been married at the palace. Already the proprietor of the Maury Hotel (then the first of Lima and one whose cuisine is still famous as the best in the city), who was caterer on the occasion, had sent his plate and covers for three hundred guests to the palace, now possessed by the usurper.<sup>47</sup>

<sup>44</sup> Basadre, *op. cit.*, p. 427.

<sup>45</sup> Dávalos y Lissón, *op. cit.*, IV, 303, names Juan F., Arenas, Echenique, "it is said," and Meiggs; G. A. Seone, in *La Revolución de Julio* (Lima, 1873), p. 11, lists García, Loayza, and Meiggs; Hector Varela, in *La Revolución de Lima* (Paris, 1872), p. 33, states that it was Meiggs first, seconded later by others, who persuaded Balta. In a copy of the book last cited which is in the Biblioteca Nacional in Lima there are numerous notations made by Ricardo Palma, the great Peruvian *tradiccionista*, who was at the time of the revolution Balta's secretary, and who was later national librarian. Opposite this statement about Meiggs, Palma wrote, "This concerning Meiggs and his influence over Balta is a witch's story." Opposite the same statement in the Seone pamphlet he wrote the word, "Lie!"

<sup>46</sup> The attempted seizure of the Peruvian government on February 19, 1939, by a cabinet officer, Minister of Government Rodríguez, on the occasion of a short vacation of President Benavides, suggests that the psychology of certain Peruvian cabinet members has not changed in the course of six decades. See *New West Coast Leader*, Feb. 21, 1939.

<sup>47</sup> Hutchinson, *Two Years in Peru*, II, 2-3.

Gutiérrez endeavored to seize Pardo as well, but Pardo, having had warning of what was happening, succeeded in hiding himself. He spent some hours in the Brazilian legation, then, before dawn on the twenty-third, slipped away to the home of a friend who lived in the suburbs near the Botanical Gardens. At six o'clock in the evening he and a companion, disguised as Negroes, set out from the city in a two-wheeled cart drawn by three mules. On the morning of the following day, after some anxious hours when they were lost in the labyrinthine byways at the edge of the city, they reached the coast and immediately embarked in a fishing boat. They were tossed about on a rough sea for eight hours before they were picked up by the war vessel *Huáscar*, commanded by Miguel Grau, later to become admiral and Peru's greatest naval hero. Fortunately for the President-elect, the Navy from the first had remained loyal to his party. The ship put in at Pisco and later conveyed Pardo back to Callao.

Meanwhile Gutiérrez was busily occupied in issuing *pronunciamientos* and trying to constitute a new government with himself as Supreme Chief. In the proclamations occur such ridiculous statements as this: "I have been called and I am at your front. The Army, the Navy, and sound society have constituted me Supreme Chief of the Republic." In truth, no more of the Army were with him than the few under his command at the palace and those over whom his brothers exercised command—not a very great number. And the Navy had shown no sympathy whatever for the movement, the warships, as soon as their commanders learned what had happened, having been withdrawn from the bay and anchored off the point of the Island of San Lorenzo beyond range of the guns of the fortress at Callao. Nor was "sound society" with him—quite the contrary. The public had spontaneously risen in opposition to him. By the twenty-fourth the dictatorship could have been said to be existing in a vacuum.

On the morning of the twenty-fifth, Silvestre Gutiérrez went up to Lima with the intention of taking back to Callao a large force to subdue the strong opposition there. In the station at Lima he was fired upon—after he himself had fired

into the crowd—and was killed. When news of this happening reached the other brothers at the palace, Marcelino, “insane with anger,” hurried off to the San Francisco barracks, where President Balta was being held, and ordered in a file of soldiers to shoot him, not permitting him even to rise from the bed on which he was found lying. The medical examination of his body disclosed eleven wounds—of pistol, rifle, and saber. Marcelino then hastened to Callao to take the place of his dead brother Silvestre. There, with a military force, he marched through the streets, firing at any citizen who allowed himself to be seen. Late on the evening of the twenty-sixth, before he could carry out his intention of bombarding the town, he was shot—whether by one of his soldiers or by a townsman is not known. The people of Callao immediately took the fortress, the soldiers fraternizing with them.

At Lima, on the afternoon of the twenty-sixth, Tomás Gutiérrez, finding his support becoming steadily weaker, abandoned the palace and, with the military that remained with him, took refuge in the fort of Santa Catalina. But as the hours passed, his soldiers deserted in increasing numbers and the civil force which was investing the place grew stronger. As the would-be dictator attempted to leave the fort late in the evening, he was intercepted and gave himself up to one Domingo Ayarza. While Ayarza was trying to conduct him to the Gutiérrez home, they were discovered and set upon by a numerous mob. Gutiérrez fled into the shop of an apothecary on one of the corners near La Merced Church and crouched down in a bathtub in the rear of the establishment. There his enraged pursuers found him and dispatched him instantly in a fashion as bloody as that which his brother had used in the assassination of President Balta.

The mob which Gutiérrez’ own excesses had called into being was not yet satisfied. Its members carried the body to the Plaza de Armas and suspended it from a lamppost, where they watched it all night. The next morning it was hoisted up in front of one of the towers of the cathedral while the body of Silvestre was hoisted to the other. There they remained suspended for some hours. In the afternoon several hundred



persons brought up from Callao the exhumed body of the third brother, Marcelino. Then a fire was kindled in the plaza opposite the main entrance of the cathedral and—the three bodies of the too-ambitious brothers were burned!<sup>48</sup>

Thus did the people of Lima and Callao deal with this bold and ruthless attempt to establish a thoroughgoing military dictatorship. And in this manner died Colonel José Balta, friend of Henry Meiggs and that Peruvian who had been most useful to him in his business ventures in Peru.

<sup>48</sup> An excellent account of the bloody events of these days is that of the British consul-general, Thomas J. Hutchinson. It is found in his work, *Two Years in Peru*, II, 1-16. Hutchinson went up to Lima from Callao on the afternoon of the twenty-second and, communication with the port city being broken by the events described, remained in Lima until the twenty-seventh, an eyewitness of much that took place. *La Patria*, of July 27, has a two-page extended account of the affair with copies of Gutiérrez' proclamations. No papers were printed in Lima or in Callao from the twenty-third to the twenty-seventh. Dávalos y Lissón's treatment of the election and its finale are in *op. cit.*, IV, 295-308.

## PARDO AND BANKRUPTCY

HENRY MEIGGS'S FUTURE depended on the decisions which the tragic Balta's successor should make respecting the public works program and the national finances. Should he embrace the railway projects, succeed in re-establishing the national credit, and continue the flotation of loans, all might go well with Don Enrique. Any other course could result only in his ruin—probably along with that of the country. Consequently, Meiggs and all who were concerned with his fat contracts awaited with the keenest interest the accession of the new president and the development of his policies.

President-elect Manuel Pardo returned to Lima on July 28, 1872. At midday, amid the booming of cannon and the shouts of a multitude of welcomers, he came ashore at Callao from the warship *Huáscar*, which had been his high-seas refuge during the dangerous days of the attempted coup of the Gutiérrez brothers. At the moment of his debarkation, the vengeful populace of Lima, assembled in the Plaza de Armas, were burning the bodies of the would-have-been dictators. A special train bore Pardo to the capital, where he was again received with great acclaim. "He returned to Lima," wrote González Prada, "with the aureole of a Messiah, but of a Messiah without evangelical charity." A few days later, the shoes of his prancing mount ringing on the pavement where the Gutiérrez had been burned, he harangued the people, felicitated them, and declared, "Lima has just given the world a tremendous lesson, but a just and necessary one."<sup>1</sup> The Civil Party, in its proceedings against the Gutiérrez, had ad-

<sup>1</sup> González Prada, *Figuras y Figurones*, pp. 134-135.

ministered its first blood-bath—a poor augury for peace in the administration of its leader.

Politically, Pardo's entire presidency was, in truth, a greatly troubled period. Under the leadership of Balta's Secretary of the Treasury, the "morbidly ambitious" Nicolás de Piérola, the classes that had supported Balta set themselves in bitter opposition to his successor. Pardo initiated many excellent reforms and conceived some fine projects,<sup>2</sup> but he was continually defamed and vilified as chief of the Civil Party. "All the *condottiere* of the pen," declared González Prada, "worked at a shameful but lucrative task: with one hand they delivered dagger thrusts at the honor of Pardo; with the other they received the gold of Dreyfus."<sup>3</sup> Revolutionary outbreaks and riots were numerous, and in 1874 administration of the country's affairs was seriously crippled by a civil war.

A contemporary Peruvian critic summarized in these words the aptitudes and activities of Pardo in the economic field:

In judging Manuel Pardo, we must not deny that he suffered from a very grave defect: the love of money, metallization. Moreover, if he possessed the science of self-enrichment, he had not the science for enriching the country. The major faults of his government were those associated with finances. To what was reduced all its Political Economy? To a financial empiricism. To what its radical measures? To following the footprints of his predecessors, to walking the beaten path of loans. Having commenced with hostilities toward the Dreyfus House, he ended by making with it transactions and agreements as onerous as those celebrated by Balta. On inaugurating his period, he played with the national credit and tried to pull it down in order to gain for himself the glory of raising it up—a procedure analogous to that of a captain who would sink the ship for the pleasure of making it float again, or of a fireman who would set fire to a building to give himself the luxury of putting out the flames.<sup>4</sup>

But, in all conscience, one must admit that Pardo was confronted by an exceedingly involved and difficult situation when

<sup>2</sup> He founded schools and brought into the country European professors; established departmental councils in order to effect a degree of political decentralization; established civil registration of births, deaths, and marriages to prepare the ground for the secularization of Peruvian civil life—then, as now, closely bound to the Church.

<sup>3</sup> *Figuras y Figurones*, p. 137.

<sup>4</sup> *Ibid.*, p. 141.

he assumed the presidency of his country on August 2. It may be that it would have been the better part of statesmanship to minimize the frightful financial condition of the country. Nevertheless, there was no lack of truth in the description of that condition which the new president gave to a special session of Congress late in September. President Pardo, who ten years earlier had warned his countrymen of the perilous situation in which they would find themselves when the nation's guano resources should be exhausted, might have launched an emphatic "I told you so!" but he limited himself to a frank and clear-cut presentation of the facts:

. . . Now I must again call the attention of Congress to projects that are related to the economic future of the country. . . . I have presented to you with a frankness which I owe to the post which the Nation has confided to me, the true situation of the public treasury; and at last, although political and personal interests have endeavored to misrepresent it, the eloquence of figures alone has succeeded in forming the national conscience on this point, in such manner that today there is no one who has illusions concerning it. That situation, as Congress knows, is expressed in these two formulas: the income from guano with which until now the domestic services of the country have been attended to, must be completely absorbed in the service of the foreign debt after the emission of the new loan [that of 1872] for public works shall have been effected; and the ordinary income of the State is scarcely sufficient for covering the half of our domestic expenses, leaving therefore an annual deficit equal to the other half. To cover this deficit in a permanent fashion, is today and will always be the sole serious means of giving a true and definitive solution to the eternal uncertainty of our economic situation, an irresistible base for foreign credit, a regular and ordered movement to the public administration, and finally, a methodical direction to commerce and industry, freeing them from the interruptions occasioned by the unforeseen economic operations to which the Government has always had to give itself over. . . .

If, I, gentlemen, were concerned merely with my own tranquillity, and were less anxious about the country's future, I should wait coldly until the discussion of the last part of the budget should bring you face to face with the deficit, in order that as on other occasions, you should have to balance it by means of one of those blind authorizations to the Executive Power which, to adjust the conflict for a moment, compro-



mise in a definitive manner the permanent interests of the country. But the just expectation of the people, born of the instincts of their own needs, cannot adjust itself today to those resources of expediency: their aspirations, ever in accord with their true interests, make them expect from their representatives a final solution of the chief problem of their future.

Actually, the adoption of the measures which the Government has proposed to Congress involves the satisfaction of a double exigency, because with them it is not merely a matter of clearing up our domestic situation, but of making possible the realization of great financial operations, without which our credit would be ruined, and the execution of many and very important public works would be impossible. The emission of the last loan and the consolidation of the floating debt are necessities the urgency of which has become more imperious in the measure that time has passed since I had the honor to lay them before you for the first time. On them depends the continuation of the public works, which, although many of them were begun with complete forgetfulness of the fiscal situation of Peru, you cannot fail to finish without disturbances which may be still more grave.<sup>5</sup>

The President presented a truly alarming picture of the financial condition of the country. The year 1871 serving as a gauge, it was calculated that for 1872 the ordinary expenditures would equal S/17,100,000; the anticipated income was set at S/8,600,000. The resulting deficit, therefore, would be S/8,500,000. The foreign debt, it is to be remembered, was to be cared for by Dreyfus through the terms of existing agreements, guano being the base. Moreover, there existed at the moment when the President was speaking a floating debt, in warrants already issued, of more than S/7,350,000. And the picture was not yet complete. The loan of 1872 (£15,000,000), after discounts and commissions, would produce, the President estimated, S/48,841,000. The completion of the public works then under construction would involve the expenditure of something more than S/80,000,000. If these works were to be finished, eventually S/30,000,000 more must be found somewhere.

Before the remainder of the loan of 1872 could be placed,

<sup>5</sup> *Diario de los Debates, Cámara de Diputados*, Congreso extraordinario de 1872, pp. 5-7. The message was read on Sept. 21.

it would be necessary to liquidate the country's internal condition—Peru must find new resources and learn to live independently of guano, for that commodity was pledged completely to the service of the foreign debt. The President summed up the problem in these words:

Thus, the key of our economic situation today is the creation of ordinary resources to the value of the difference between ordinary income and expenditure, that is to say, S/8,500,000 annually: that will afford us foreign credit to confront the works contracted for, domestic credit to discharge the obligations of the day; and assure at the same time the ordinary march of the administration. Without it everything collapses, foreign credit, domestic credit, railways, public prosperity and administration.<sup>6</sup>

As a critic asserted, "Only a single word was not pronounced: that of *Bankruptcy*, and this is inferred from the figures which he was pleased to present."<sup>7</sup> It was this address which gave occasion for the charge that Pardo undermined the credit of Peru. Certainly it did not assist the work of the agents who in Europe were endeavoring to place the bonds of the loan of 1872. However, it would be highly unjust, not to say absurd, to throw on Pardo's shoulders the entire blame for the collapse of the country's foreign credit, for it was definitely on the decline before he assumed the presidency.

President Pardo suggested in his message three positive measures which looked toward domestic reform and betterment of the national finances. They were: first, municipal decentralization, the hope being that a feeling of civil responsibility would eventually be developed and an increase in local taxes thus made possible; second, a tax on nitrates, considered justifiable since the lands worked by the nitrate concessionaires belonged to the nation; and, third, an increase in existing tariff rates with additional articles placed on the dutiable list.<sup>8</sup> The proposed measures were eventually made effective through

<sup>6</sup> *Ibid.* The president's address fills a thick section at the front of this volume. An extensive extract which contains the figures presented is in Dávalos y Lissón, *op. cit.*, IV, 356-363.

<sup>7</sup> Un Peruano, *La Verdad sobre el Empréstito Peruano de 1872*, p. 23.

<sup>8</sup> *Diario de los Debates, Cámara de Diputados*, Congreso extraordinario de 1872, president's message; *El Comercio*, Sept. 21, 1872.

Congressional action,<sup>9</sup> but only from tariff revision was any appreciable increase in the revenue realized, and it was quite inadequate to meet the country's needs.

Confronted with a deficit and with a floating debt of some magnitude, it was imperative that the government secure somewhere the means of caring for its internal necessities and preventing a stoppage of public-works activities. The only possible recourse, under the circumstances, was an appeal to the Dreyfus house. Accordingly, in October, 1872, an arrangement was made with the nation's "banker and universal consignatory." In the course of the following year, Dreyfus would advance the sum of S/6,000,000 in hard money and take care of war-rants or bills of credit to the amount of S/2,400,000, he to be paid an interest of 8 per cent. This arrangement was to operate without prejudice to the terms of the previous contracts whereby Dreyfus was caring for the service of the loans of 1870 and 1872.<sup>10</sup> It was hoped that in the "breathing spell" which this arrangement afforded a permanent adjustment of the national finances could be made.

Pardo's reference to the necessity of completing the public works then under construction touched off in Congress and in the press an extended discussion of the railway question, a matter of the first importance to Henry Meiggs.

It was conceded by most that the completion of the lines actually under construction was imperative. Otherwise, almost none of the benefits promised the country could be gained from them. In fact, if they were to be of the greatest possible value, various additional branch lines ought to be constructed. Much time and space were devoted to a discussion of this matter. The chief finance committee of the Chamber of Deputies, on April 21, 1873, brought in a report on the subject. Construction of some half dozen branches was recommended—Oroya to Cerro de Pasco, Oroya to Chanchamayo, Oroya to Ayacucho, Islay upward to connect with the Mollendo-Arequipa line, Cuzco to the navigable part of the Ucayali River,

<sup>9</sup> Tariff law of Dec. 28, 1872; nitrates law of Jan. 18, 1873; decentralization law of April 23, 1873 (Rodríguez, *Estudios Económicos, etc.*, p. 280).

<sup>10</sup> Dávalos y Lissón, *op. cit.*, IV, 365-366.

and an extension of the Pacasmayo-Magdalena Railway to Cajamarca.<sup>11</sup>

In the discussion which followed presentation of the report, the difficult alternatives before the government were stated by Deputy C. J. Luna:

. . . it will be said perhaps that it is not admissible to concern one's self with railways that will impose new and not insignificant expenditures on the public treasury. Besides, in order to think thus it is necessary only to reflect, somewhat less, to make a calculation between what would be lost by abandoning the works under consideration or on the other hand continuing them, and what it would cost to carry them to completion. . . . There is no doubt of what we should do under this practical point of view.<sup>12</sup>

Since the government that had made the railway contracts was no more, gentlemen were now free to express their criticism of the operations associated with those contracts. A considerable number did so. In the course of the address from which quotation has just been made, Sr. Luna declared that the railways had "undoubtedly been a focus of iniquities," and asserted that they had served to transform not a few "politically industrious poor and disturbers of public order into rich and powerful, into wealthy capitalists."<sup>13</sup>

Deputy J. M. González expressed himself, in view of the lack of funds, as being strongly against extensions.<sup>14</sup> But, with reference especially to the proposed Oroya-Cerro de Pasco branch, he was stoutly opposed by Deputy Chacaltana:

The railway which is under construction [referring to the Oroya] is a railway which one might very well say, to make use of a graphic word, is being built to nowhere; because a railway to Oroya is a railway to nowhere. If we wait until this railway may be finished, it is clear that, from now, we expose ourselves to lose all that it costs if it does not go to some point, if it does not go to Cerro de Pasco, or better say, if it does not go to some place. If this should happen, within two years we should find ourselves no more nor less like the person who won the elephant raffle, who didn't know what to do with it.<sup>15</sup>

<sup>11</sup> *Diario de los Debates, Cámara de Diputados*, Congreso extraordinario de 1872, II, 505-506.

<sup>12</sup> *Ibid.*, II, 508.

<sup>14</sup> *Ibid.*, II, 512-513.

<sup>13</sup> *Ibid.*, II, 510-511.

<sup>15</sup> *Ibid.*, II, 514.



In the course of his speech, Sr. Chacaltana threw in this declaration: "It is certain that the railway contracted by Mr. Meiggs from Juliaca to Cuzco has been contracted for at an exorbitant amount; it is a magnificent deal that Mr. Meiggs has made."

At the conclusion of the discussion a bill was passed which authorized the construction of three of these branches—Oroya to Pasco, Islay to the Arequipa line, and Puno to Lampa—and the study of the others which had been suggested.<sup>16</sup>

Apropos of the discussion of railways, *El Nacional* warned that the country was overbuilding and philosophized in this vein:

Public necessities must not be too rapidly advanced, for it is in that manner that we have succeeded in squandering the rich income from guano, which could have been applied with more advantage to other necessities of real urgency. One must not put a man's dress on a child that needs diapers: one must take into account the times, in order not to build today railways which, when they become necessary, will be found to have rails rusted from disuse, completely ruined and in such state that they will have to be completely rebuilt.<sup>17</sup>

The editor then called attention to the fact that on the Ilo-Moquegua Railway, "which cost the state five or six millions," the locomotive made but one trip each week! He declared—and time has fully demonstrated the accuracy of the prophecy—that twenty-five or thirty years must pass before developments in the provinces of Junín, Cuzco, and Huaraz would make them economically capable of supporting the railways that were being built in them.

An editorial writer of *La Patria* asserted that, though the roads were costing one third more than they ought to have cost, yet, in order to avoid total loss, they must be completed.<sup>18</sup>

These were anxious days for Meiggs. The period of ample funds for his operations was ended, and he was forced more and more to have recourse to temporary expedients in order to continue work on the railroads while, of course, all of his other business operations were equally embarrassed.

Already short of funds when Pardo entered office—the

<sup>16</sup> *Ibid.*, II, 507-508.

<sup>17</sup> May 27, 1873.

<sup>18</sup> May 16, 1873.

loan of 1872, it will be recalled, had been a failure—he was obliged to borrow heavily. And, like the government itself, he had to go to Dreyfus. The Dreyfus house consented, in October, to sponsor against the loan of 1872 advances from certain banks of Lima to the amount of S/3,000,000. The banks would accept to this amount certificates from the government of funds due for work completed on the railways.<sup>19</sup>

This arrangement afforded only temporary relief. In the early months of the following year, finances again were causing the Meiggses wakeful nights. John G. wrote Watson and Meiggs on January 22: "We are almost in a state of 'Panic' for want of bills on England. Last mail steamer Messrs Dreyfus Bros & Co had applications for more than £1,000,000 sterling and could only draw £60,000."<sup>20</sup> And on March 5 he directed the Valparaíso commercial house to discontinue all shipments for the time being, as exchange for making payment could not be had.<sup>21</sup>

Meiggs's situation at this time must have appeared very bad indeed. In one of the Letter Books, dated February 21, 1873, is this letter of Wm. Bush, chief clerk in Meiggs's office at Lima, to Captain S. T. Kissam, superintendent of Meiggs's shipping operations at Callao:

My dear friend

The other day (Wednesday) when our financial horizon looked *rather dark*, I thought it best to look out for you, so I drew the amount of your salary to March 1st. S/4,692.24 of which I deposited in Bank of London S/4,000 as per Certificate of Deposit No 124B. to your order, at sight, bearing Int. at 4%, enclosed herein.

Our affairs are looking *much brighter* today, and I think we are OK.<sup>22</sup>

The logical inference is that in February, 1873, Meiggs's bankruptcy was a decided possibility.

Tossed about by the seas of the financial storm and menaced by the breakers of bankruptcy, Meiggs, in September of this year, spoke his distress in a letter to a granddaughter,

<sup>19</sup> See Meiggs to Dreyfus Brothers, Lima, Oct. 12, 1872 (Meiggs Papers, Letter Book [unnumbered], pp. 255-256, in which the conditions are stated).

<sup>20</sup> *Ibid.*, Letter Book 8, pp. 366-367. <sup>21</sup> *Ibid.*, p. 519.

<sup>22</sup> *Ibid.*, Unnumbered Letter Book, p. 304.

Enriqueta Meiggs, at Santiago. After declaring that until the preceding day (the sixteenth) he had been sure that he could get away on the twenty-third and that he had engaged berths for the voyage to Chile, he continued:

News arrived yesterday that the Government loan that we all had calculated upon had fallen through that it could not be made. It was a cold damper upon me and makes it entirely impossible for me to leave my position here as it would cause me to lose the last dollar I have and what is much worse leave me deeply in debt. I am a slave to my works I would that I could escape but it is impossible. . . .

Matters are terrible here in money matters. . . .

I know dear children that you are anxious to see me. And I know that both you and your dear mother will be much disappointed: but it is not in my power to change the affair now. Oh how much, how dearly I would love to see you all. Why can you not come to see me? I should be so happy.

Ah! My dear children I have passed many terrible moments since you have seen me, and thanks to God I have escaped so far.<sup>23</sup>

A few weeks later Don Enrique informed his son Manfred that financial matters were still "as usual" (significant expression!) but that there appeared to be some hope of relief. "All depends," he wrote, "upon the arrangement of the difficulties existing between Pardo & Dreyfus & Co. One word from Pardo would settle the whole in an hour, and in my opinion he will be obliged to say that word in a few days— I am now in arrangements with the Minister of hacienda [treasury] in regard to the mode of payment *provided* we go on— So far we are all right and have hopes."<sup>24</sup>

These hopes were not destined immediately to be fulfilled. Instead, the Meiggs horizon grew yet darker. It must have appeared positively black at the moment when, on the following January 23, Don Enrique penned this letter to Manfred:

Business matters are rough and will come to a focus [*sic*] in a very few days, either for good or for evil— Which, it is impossible to say—

<sup>23</sup> Sept. 17, 1873. The original of this letter was lent to the author by Dr. Eugenio Pereira Salas, of Santiago, who had borrowed it from one of the Meiggs descendants who lives in that city.

<sup>24</sup> Oct. 31 (Valle-Riestra Family Papers).

We will hope for the best, but God only knows what may be in store for us in this respect. . . .

My impression is that Wednesdays steamer will take you the final news

In the mean time I desire that you shall be at home on its arrival, as it may be necessary to take sudden measures in case of a bad result—Be sure to be in Santiago— But speak of this to *no one* except [“not even” scratched out and “except” substituted] your wife.

If Minor is still there, to *him* of course, and also to *Fan* as they are both interested—<sup>25</sup>

No positive evidence has been found which explains this letter satisfactorily. Meiggs’s situation in Peru was precarious, as it had been for two years or so. The government had not yet come to the decision to appeal to Dreyfus for more money. Don Enrique may have had reason at the time to believe that President Pardo would decide to drop entirely the effort to secure funds from the loan of 1872 and discontinue work on the railways. But, even if such a decision had been made, that would not have necessitated flight for the Meiggses—which seems to be the implication of the term “sudden measures.” Can it be that Meiggs feared the uncovering of something that might lead to criminal action against him? Or did he meditate fleeing the country, leaving his creditors and his obligations, and carrying with him everything that could be readily transported? But why should this have made necessary his fleeing with his family from Chile as well? Perhaps when Don Enrique used the phrase “sudden measures” he did not mean flight, but no other logical meaning presents itself. Whatever the real significance of the letter, it is unquestionable evidence that when it was written Meiggs was in the highest degree uncertain about his position and deeply concerned about it.

President Pardo had been strongly opposed to the original Dreyfus contract. He had been elected on a platform which emphatically criticized that contract and the resulting financial orgy of the Balta administration. He appears to have wished sincerely to relieve his country of the Dreyfus incubus. But it was not immediately possible for him to do so.

<sup>25</sup> Jan. 23, 1874 (*ibid.*).



Only two alternatives were open to Pardo. The first, involving flight from the most immediate danger, was to suspend at once, and completely, work on the railways and at the same time to suspend emission of the remainder of the loan of 1872. But the adoption of this alternative was impossible from all points of view.

Politically, it was impossible because the people had been taught to associate their happiness and their well-being with the building of a system of railways. Having been convinced, through three years of unlimited expenditures, that the riches of Peru were inexhaustible, neither Congress nor the government could have deprived them in safety of the object with which they considered their fortunes so closely bound. Besides, Congress had not authorized a discontinuance of the works. Each representative feeling as the people felt, the legislature thought only of the completion of the works.

Moreover, suspension appeared to be economically impossible. Twenty thousand workmen were employed on the several railway projects. The sudden discontinuance of their wages, amounting to some S/1,000,000 monthly, and the cessation of importation of construction materials and the dislocation of the many activities and interests associated with them, would have caused an immediate and exceedingly grave industrial and commercial crisis. This would have entailed inevitably a social crisis—twenty thousand unemployed men, with their families in many cases, would have suffered want, verging on starvation. The idle would have been fertile soil for the germination and the thrifty growth of the seeds of revolution. Such a crisis must be avoided, if it were at all possible. To follow the natural path and suspend the works, to flee from the immediate evil, would have been, in the words of Secretary of the Treasury Juan Ignacio Elguera, “to embark upon a bottomless sea of calamities.”

The words of this high-placed official, whose arguments on the impossibility of seizing the first alternative have just been summarized, explained the reason for the selection of the second, that is, a continuance of efforts to complete the roads. He was addressing the national Congress in his report for 1874:

It seems that what has been exposed should suffice to give an exact idea of the iron circle in which the country was enclosed in August of '72, without having either the right or the means of electing new paths, and obliged by the inflexible force of circumstances to employ all of its powers in descending with less rapidity the slope on which it was launched. Such has been, gentlemen, the position of the Government since August of 1872.

If the suspension of the works on the railways was impossible and their prosecution fatally necessary for all the reasons which I have detailed at length, it was necessary to attend before everything else to foreign credit, the only source from which could be obtained sufficient means to carry forward those works.<sup>28</sup>

These manifold reasons were sufficient to force the capitulation of Manuel Pardo. At the end of more than a year and a half, hounded by a relentless political opposition, urged on by such men as Meiggs, whose financial interests were deeply engaged, embarrassed by riots and attempted revolutions, convinced that the welfare of the country demanded that the railways be completed at all costs, and with no possible source of funds but the house of Dreyfus, he surrendered. But he did so with some reservations, for, while he made new agreements with Dreyfus, he secured provisions which were designed to lessen and ultimately to eliminate the influence of that powerful foreign house.

The new Dreyfus contract bore the date of April 15, 1874. It stipulated that Dreyfus should discharge amortization and interest on the foreign debt for the semiannual periods ending July 1, 1874, and January 1 and July 1, 1875. The government would make arrangements to attend punctually to the debt service after the semester last mentioned, it being authorized to that end to export, or permit others to export, guano to all the markets to which Dreyfus had been given a monopoly by the original contract of August 17, 1869. But if, for any reason, the government should be unable to make such arrangements before July 1, 1875, then Dreyfus would continue to export guano in the quantity necessary to cover the service. This clause was designed to enable the government to return to the old system of sale by consignees.

<sup>28</sup> *Documentos Parlamentarios*, 1874, "Memoria del Ministro de Hacienda y Comercio al Congreso Ordinario de 1874," IV, 32-33.

One of the clauses placed at 850,000 tons the quantity of guano which the Dreyfus house must still export to complete the 2,000,000 tons originally bought. At the price then current, this left a balance of S/7,000,000 which the contracting house must pay to the Peruvian government. To secure it, the government was authorized to draw against the house S/400,000 each month.

It was agreed that the remainder of the anterior account between the two parties should be paid at once, if it should be found when the account was balanced that the nation was the creditor. If the contrary should prove to be the case, then Dreyfus would retain the last two monthly payments of S/400,000. If the balance were found to exceed S/800,000, the house would retain the last two advances and the rest would be paid by the guano contractors, i.e., by the consignees with whom it was planned to make new guano contracts.<sup>27</sup>

One clause of this contract represented an important concession on the part of Dreyfus—the one which recognized the right of the government, after July 1, 1875, to make with other commercial houses or persons contracts for the sale of guano. To appreciate the magnitude of this concession, it is necessary to recall that the contract of August 17, 1869, contained no time limit during which Dreyfus was to sell the 2,000,000 tons of guano involved in the agreement. It was hoped that under the new provision the country could eventually be freed from economic subservience to Dreyfus Brothers and Company.

To shorten the story of guano in so far as it has any relation to the interest of Henry Meiggs, it may be said that little, if any, advantage accrued to the government through the return to the consignment system. Contracts were made with a number of companies or associates, but they profited very little, for guano was definitely on the decline. The deposits were nearly exhausted; what remained was of poor quality. Furthermore, because of the competition of nitrates with guano

<sup>27</sup> Rodríguez, *Estudios Económicos, etc.*, pp. 307-309; Ugarte, *Historia Económica, etc.*, pp. 153-154. It may be said here that the contract with Dreyfus was liquidated in 1880 by the payment to the house, in guano, of slightly more than £3,000,000 (Rodríguez, *op. cit.*, p. 315).

and the competition of the consignees with Dreyfus in the markets, the price declined badly.<sup>28</sup> This complex, and at times exciting, chapter in Peruvian economic history reached its final period shortly after Don Enrique's career in Peru came to an end. Guano saved neither Henry Meiggs nor Peru.

During these months of financial difficulty, Meiggs, by dint of borrowing wherever it was possible, had managed to keep the work on the railroads going forward, though on a reduced scale. To secure funds, he used in the Bank of Peru certificates of work completed to the amount of almost S/1,300,000. In the Bank of Arequipa, certificates to the amount of nearly S/420,000 were pledged. The government eventually covered these loans by turning over to the banks bonds of the loan of 1872 with the stipulation that they might be sold after nine months at 75 per cent—£500,000 in the former case, £160,000 in the latter.<sup>29</sup> These were but temporary expedients. There could be no assurance of the complete fulfillment of his contracts without the re-establishment of the national finances. The contract with Dreyfus and subsequent developments did not produce this effect; so Meiggs continued to live in great distress financially—and otherwise. His letters to members of his family, written in the course of the year 1874, clearly reveal this condition.

In letters addressed to Manfred, dated January 28 and October 21, he urged him to practice rigid economy. "Will you do me the favor to commence at once?" he exhorted the extravagant son, then living in the "Quinta Meiggs" in Santiago. In the second letter, he declared, "I do not know any means to send you a dollar."<sup>30</sup> To the same son he wrote on February 12 a letter which, while it revealed very serious reverses, yet exhibited Don Enrique's unquenchable optimism and determination:

The time has arrived when we are to stand or fall together, and it is the solemn duty of each to enter with heart and will, to save the whole. My losses during the last 2 years have been *fully six millions* of soles and I assure you it makes a terrible hole in the fortune I thought myself

<sup>28</sup> Rodríguez, *op. cit.*, pp. 311-316.

<sup>29</sup> *Ibid.*, pp. 285-286.

<sup>30</sup> The two letters are found among the Valle-Riestra Family Papers.



possessor of. The time will soon be propitious again and by a decided effort of all our family well directed we shall soon recuperate at least a portion of what has been lost

It is useless to enquire into the causes of this terrible loss, and only profitable to look the matter full in the face and to make every possible exertion to make it up again by strict economy and hard work

It will come if all *pull together*.<sup>31</sup>

In the middle of April Meiggs was unable to secure funds to meet the monthly payroll,<sup>32</sup> and late in August he wrote to Manfred, "Here we are in a desperate state to know what our destiny will be. God only knows. For the moment it is enough to know that it is exceedingly dangerous for all of us."<sup>33</sup>

The later months of 1874 saw no relief from financial distress. On the day after Christmas, revealing some discouragement—a rare thing with Don Enrique—he wrote Manfred in these terms:

I have never in my life been so busy nor have I ever in Peru seen such tremendous hard times— You cannot imagine the difficulties we are laboring under. The absence of the President makes it impossible to do anything, or to calculate with any certainty for the future.

I hope that peace will soon be declared and that the President will return to his post— We are suffering too much on a/c of his prolonged absence [*sic*]

. . . I passed a frightfully triste Pascua [sad Christmas], such as I have no desire again I need not, nor can I explain the cause fully Suffice it to say that I had not yesterday, nor can I have today, a moment of enjoyment

I assure you my dear son that the world goes hard with me.<sup>34</sup>

President Pardo's extended absence from Lima and the lack of peace to which Meiggs made reference were occasioned by an attempt, headed by the President's bitterest political opponent, Nicolás de Piérola, to overthrow the government. Several uprisings had occurred in 1873 and in the first half of 1874. They were put down by prompt action and had no other effect than to embarrass the administration and to muddy

<sup>31</sup> *Ibid.*

<sup>32</sup> Meiggs (by J. S. Rand) to S. T. Kissam, April 16, 1874 (Meiggs Papers, Letter Book [unnumbered], p. 426).

<sup>33</sup> Aug. 22 (Valle-Riestra Family Papers).

<sup>34</sup> *Ibid.*

the already cloudy waters of Peruvian politics.<sup>35</sup> In August there was even an attempt on the President's life, fortunately unsuccessful. Piérola's insurrection was a grave matter, the most serious movement of its sort that Peru had seen since 1821. The "Talisman affair" was one of its phases. The ship *Talismán* had been chartered by Piérola and his followers and laden with firearms and other equipment for a revolutionary movement. It put out about mid-October from a Chilean port with the design of making a port in Peru which would afford facilities for quick debarkation and rapid transportation inland of the materials with which the ship was laden. An unsuccessful attempt was made at Pacasmayo. A few days later, however, the revolutionists were successful at Ilo (or Pacocha), where the recently completed railway afforded quick passage upward to Moquegua and thence into the region of Arequipa, the city of Piérola's origin. The situation was at once so serious that the President was forced to give it all of his attention, even to take the field in person. He organized his resources and opened a campaign against Piérola. It was concluded by the defeat and dispersion of the revolutionary forces near Arequipa; Piérola, however, escaped. At the end of the year the President was back in Lima. The movement was a sad blow to the administration, for it occasioned a serious depletion of the already overstrained resources of the near-bankrupt country.<sup>36</sup>

The *Talismán*, while in Piérola's possession, entered the port of Pacasmayo and later that of Ilo, in both of which Don Enrique had supply depots, and apparently took on some supplies in one or both places. With these facts as the basis, it was whispered around that Meiggs was sympathetic to the revolutionists and was aiding them. News of the rumor came to him in Peru through a friend in Chile, and it worried him sufficiently to cause him to write a letter to the Peruvian minister in Chile, José Pardo, requesting him to use what means he could to run down the rumor. The minister was asked to look into the papers of Watson and Meiggs at Valparaíso in order to disprove the charge that coal belonging

<sup>35</sup> Dávalos y Lissón, *op. cit.*, IV, 315-316, 345.

<sup>36</sup> *Ibid.*, pp. 346-353.

to Meiggs had been taken by the *Talismán* and paid for with drafts drawn on Watson and Meiggs.<sup>37</sup> Don Enrique requested that the truth be presented in detail to President Pardo.

It is not probable that this charge had any foundation, for Don Enrique appears consistently to have refrained from any participation in Peruvian partisan politics. His advice to his son on that point will be recalled.<sup>38</sup> It was, of course, a matter of much importance to Meiggs that the rumor should be scotched lest his relations with the Peruvian administration be damaged. He was deeply embarrassed with finances and could scarcely have borne an added weight of political difficulties.

What was to be done with the unfinished railroads? Congress on May 28, 1874, authorized the flotation of a loan of S/15,000,000,<sup>39</sup> but buyers of Peruvian bonds were so scarce as to be practically nonexistent and the loan could not be effected. The government issued S/10,000,000 in Treasury Bonds—a form of paper money—to cover the floating debt, but this form of money could not be utilized in making purchases abroad.

In June, 1875, the matter came in for another lengthy discussion in Congress. The Committee on Railroads of the Chamber of Deputies brought in a report which analyzed the situation. Congress still felt that the railways must be completed. The line of reasoning followed by its members is revealed in these paragraphs of the report:

The simple consideration of the unfortunate consequences to the government and the contractors which would follow the disorganization of the present works, the sudden dismissal of the labourers and professional men, the abandonment of the immense and costly material of all kinds which has been accumulated for these works, and the sudden and abrupt termination of all transactions made in other parts for the supply of materials, and even money on the guarantees given by the State, must be sufficient to persuade the honourable House that to suspend the works in the advanced condition at which they have arrived, would be most certainly and surely to sacrifice the true interests of the Republic, and even its honour and its future.

<sup>37</sup> Lima, Dec. 9, 1874 (from a typed MS in the possession of Sra. Costa-Laurent, Chosica, Peru).

<sup>38</sup> See above, p. 260.

<sup>39</sup> *South Pacific Times*, June 12, 1875.

The only course which is counseled by a sense of duty and the natural respect of the Nation for its own good faith, is that which has been generally indicated by the Executive, and which advises that funds be at once obtained to meet the actual debt on account of the Railroads and the other which will be created as the remaining roads are concluded.

A bill to this general effect was presented and passed.<sup>40</sup> All well and good, but—where was the executive to find the \$30,000,000 which completion of the works would entail? Certainly it did not exist in Peru, where, at the end of 1875, the deficit for meeting the common needs of government amounted to many millions of *soles*. Nor could it be found in Europe, for default on the service of the already enormous foreign debt of the nation was imminent. The metallic exchange of the country was exhausted; hence it was impossible to continue to pay for materials for the railways. For the same reason it was impossible for Don Enrique to secure hard money to meet his payrolls. No course was left but to suspend building operations. This was done by order of the government on August 13, 1875.<sup>41</sup> To resume—when? When more money could be found. And the prospect that it could soon be located was exceedingly dim in midyear of 1875.

This discontinuance of operations and the remote prospect of an early renewal led to the resignation of John G. Meiggs as his brother's general superintendent and his departure from Lima. He left Callao for the United States late in December<sup>42</sup> and arrived at New York about the middle of January. The story has been told that when John G. debarked at New York he had his fifty trunks lined up on the wharf and placed atop each of them a twenty-dollar gold coin as a suggestion to the customs officers that they be passed without inspection! It may well be true, as it harmonized both with the character of John G. and the reputation of the New York customs organization of that era.

The New York *Sun* of January 16 carried an account of an interview which John G. gave to one of its reporters. The

<sup>40</sup> *Ibid.*

<sup>41</sup> John L. Thorndike, *Reply of the Contractor of the Southern Railway* (Lima, 1887), p. 11.

<sup>42</sup> John G. to Joseph Hinkle (Ilo), Dec. 22, 1875 (Meiggs Papers, Letter Book 11, p. 730).



interview, as later reprinted in the *South Pacific Times*, when read in the light of the facts as we now know them, is in places not only interesting but quite diverting:

Reporter—What have been the results of Mr. Pardo's administration?

Mr. Meiggs—President Pardo has done what he could to curtail expenses and to better the condition of the country. He has been very successful. There have been a few internal troubles during his Presidency, and these have been promptly suppressed.

Reporter—He was supposed to be unfriendly to Mr. Henry Meiggs?

Mr. Meiggs—No. We have got along pleasantly with him, as we have with every administration. We do not interfere in politics, but attend to our own business. The Government engages us to perform certain contracts; we perform them, and get our pay. [!]

Reporter—How do Americans get along in Peru?

Mr. Meiggs—Those who are steady and enterprising get along well. Those who become demoralized and fall into loose habits sink. But I do not know that there are any American paupers in Peru. We receive perhaps a hundred letters every day from persons in the United States who are anxious to go to Peru and be employed by Mr. Meiggs. When we need men we select from the applicants and send for them.

Reporter—Are the natives of Peru useful as workmen?

Mr. Meiggs—There are two classes in Peru—the pure blooded descendants of the old Spaniard and the mixed bloods, partly Spanish, partly Indian, and in some cases partly negro. The former are a high minded, energetic people. The latter are inferior, but make good labourers, along with the Chinese. We employ them by stent, or piecework.

Reporter—I understand that there are marvels of engineering on some of your railroads?

Mr. Meiggs—Yes. One of our roads crosses the mountains at 16,000 feet above the level of the sea. Some of the bridges too, are very lofty, and built with a skill that would do credit to any part of the world.

Reporter—Your brother is said to be worth several millions of dollars?

Mr. Meiggs—Whatever he obtained in Peru he has fully earned, and whatever he owed there, or elsewhere, he has paid. He has not been a seeker for contracts. On the contrary, he has rejected contracts that the government wished him to take.<sup>43</sup>

<sup>43</sup> *South Pacific Times*, Feb. 26, 1876.

John G.'s successor at Lima was Charles Horsfall Watson, former member of the firm of Watson and Meiggs, merchants at Valparaíso. The first item in the Letter Books of the Meiggs Papers which was signed by him as superintendent is dated December 29, 1875.<sup>44</sup> It is worthy of note that on June 7, 1877, he was married to Mary Backus, a great-niece of Don Enrique and John G.<sup>45</sup> There is no doubt that Watson was a man of considerable business ability.

In May, 1870, shortly after he arrived at Lima, John G. had written to a brother-in-law a letter in which he declared that he was not rich but that he expected to be so soon. A month later he had written to another correspondent, in New York City: "I am as busy as possible in first rate health & spirits, and will return in about five years ready for a brush with the Street [Wall Street] on better terms than before."<sup>46</sup> When he left Lima, he had overstayed his schedule by almost a year. It may be that he was then ready for "a brush with the Street," for he had drawn a very good salary and should have amassed a considerable sum in six years. He had made several tentative moves toward getting into the public-works game in Peru on his own account, but had not actually done so—luckily for him and his savings account. His going may have been largely due to a conviction that the Peruvian situation was hopeless and that the part of wisdom was to go "while the going was good." It does not appear at all possible that his resignation was due to a difference with Don Enrique, for, in the will which the latter drew less than two years afterward, John G. was given equal treatment with the other brothers and sisters.

Whatever the immediate cause of his resignation, with John G.'s withdrawal from Peru, Don Enrique lost, at a time of crisis, one who had been a most capable business manager and an invaluable collaborator.

<sup>44</sup> Meiggs Papers, Letter Book 11, p. 736.

<sup>45</sup> Fannie Meiggs Robertson to Lucretia Meiggs (Santiago), Villegas, April 2, 1877 (Valle-Riestra Family Papers), announces the approaching event. It is substantiated as to exact date in a document found in the Meiggs Papers. Watson's first wife had died in Chile in 1867.

<sup>46</sup> See p. 109 n. 9.

## XVI

### MEIGGS'S LAST STAND

MEIGGS'S LAST two years were a period of ceaseless and sometimes bitter struggle toward the attainment of two objectives: avoidance of complete financial ruin, and resumption of work on the paralyzed railways. The first he attained—but barely so. The second was beyond his powers. Considering the state of Peruvian finances, domestic and foreign, it is astonishing that in these years he was able to avoid an acknowledgment of complete bankruptcy and to keep going. But he did, and the fact that he did was due to his unquenchable optimism, his unceasing activity, and his iron determination.

Since the failure of the loan of 1872, Peru's economic condition, as we have seen, had steadily grown worse. The Pardo government was able to do nothing effective to check the fatal downward course of credit and business. When guano lost its position as the main prop of the tottering financial structure, nitrates were called on to replace it. A government monopoly on that product was declared, and attempts were made, unsuccessfully, to float loans, using it as security. On this point Sr. Domínguez, Argentine minister to Peru, wrote in a report to his government:

This system of propping up one monopoly by another is the wretched inheritance of the Spanish colonial system in Peru, and the origin of the many drawbacks which keep Peru in the background notwithstanding its rich resources. The colonial system pervades every industry in Peru; protective tariffs are in force against foreign products, guano is a state monopoly, gas-lighting is a privilege of a joint-stock company, the meat market and water supplies are also private monopolies; so is the wharf at Callao; nearly all the railways belong to the Government,

and most of the valuable house-property or estates around Lima are in chancery or administered by associates for charitable purposes. Instead of private enterprise you find the State on all sides, which led a Deputy recently to exclaim in Congress that "Peru is only a big house of business."<sup>1</sup>

And, the deputy might quite truthfully have added, a very insecure house of business.

Security was not increased by the fact that a presidential campaign coincided with the closing months of 1875. The party of President Pardo supported the candidacy of Mariano Ignacio Prado, who had been president for a time in the 1860's. The larger part of the Balta-Piérola interests were in opposition, as was to have been expected. Though the bitterness exhibited was not so great as in the election of 1872, still a traveler who visited Lima as this juncture described in this fashion the electoral atmosphere:

My arrival in Lima, the capital of Peru, was quite *en [sic] medias res*—just where Aristotle [*sic*] advises the writer to make his first plunge. . . . The presidential election, or rather the presidential fight, which takes place every four years in this country, unless forestalled by a *coup de main*, had already assumed such an aspect of terror, and the better class of the community had so completely succumbed to their fears of insurrection, pillage and murder, that it was impossible for a stranger to realize at once, the true situation. Ominous rumors had reached us before our steamer came to anchor in the harbor at Callao, and the whole aspect of affairs on shore went to confirm them. Street fights had been common for several days, and a number of both parties had already been killed and wounded. On the train to Lima we heard nothing discussed but the apprehended troubles of the morrow, and had we listened to the beatings of our heart, we would have returned and stayed on board the steamer, where many both from Lima and Callao took refuge until the troubles were passed. But the wisdom of the head said, "This people is scared; the danger is exaggerated; we will not be turned back by a phantom." Going from the station to the hotel, we observed that many of the stores and shops were closed, and their doors and windows barred and locked, and those still open were as the *Señoritas* of old, "Tapadas hasta medio ojo" [veiled to half an eye], and ready to shut out the remaining light of day at a moment's

<sup>1</sup> Translation in the *South Pacific Times*, April 29, 1875.



notice. There was also a hurrying to and fro in the streets, and a something in the air that proclaimed the approaching storm.<sup>2</sup>

Fortunately, though the Gutiérrez brothers were remembered and a movement comparable to theirs was feared, no *coup de main* was attempted in 1875 nor during the months that elapsed before Pardo retired and Prado, the choice of the electorate, came into office. President Pardo presented a somewhat tragic figure when, with the country in much worse condition than at the beginning of his term, he delivered his final message to Congress on Independence Day, July 28, 1876. The best that he could do toward making an apology for his failure was to pass the responsibility back to his predecessor. He did so in these words:

My Government found the political order resting on the material force which was sustaining it; the economic and social order on excessive expenditures of the Treasury; the fiscal order on discounts on the future.

No society could maintain itself indefinitely on such bases and the logic of excesses had to produce its consequences; the excesses of force produced the ruin of the military power; and the excesses in discounts on the future absorbed the source of our fiscal and economic life, disturbing profoundly the interests which were founded upon it.<sup>3</sup>

The Pardo government had not possessed the magic formula which would have been necessary to reform Peruvian economy and replace it on a secure, even a workable, basis. Nor was the formula known to the incoming Prado government. It continued in the way of its predecessor. Consequently, Don Enrique, on the last day of the year 1876, must write in this vein to his granddaughter Enriqueta in Santiago: "The principal reason which has prevented my seeing you personally has been the terrible state of my business affairs during

<sup>2</sup> "Potiphar" in *San Francisco Bulletin*, quoted in the *South Pacific Times*, Jan. 22, 1876. That this account was not overdrawn and that Peruvian elections retain today much of their earlier character are suggested by the fact that the present writer, who was in Lima at the time of the election of 1936, observed somewhat similar scenes and knew of a gentleman of Trujillo who took the precaution of sending his family down to Lima to remain in greater safety, it was hoped, until the election should have been held.

<sup>3</sup> *Diario de los Debates, Cámara de Diputados*, Congreso ordinario de 1876, I, 6.

the last five years and especially the last 4 years. I have suffered beyond all that you can possibly imagine; and I am still suffering the torments of the condemned."<sup>4</sup> This is not to say, however, that the government and Meiggs folded their hands and drifted quiescently downstream to utter ruin. On the contrary, they made a courageous fight, particularly Don Enrique.

With the decline in sales of guano in foreign markets and the consequent decline in the available amount of foreign exchange, it became necessary to adjust the adverse balance in foreign trade by exporting metal, at this time (1875) silver coins.<sup>5</sup> This movement continuing, by midyear the depletion of the hard metal reserves brought a monetary crisis. Be it remembered that the income from guano was at this time completely absorbed, presumably, in the service of the foreign debt under the Dreyfus contract of April 15, 1874, and that the terms of that contract provided that Dreyfus should meet payments of interest on that foreign debt only to July 1, 1875.

By August, 1875, the metallic reserves of the banks had fallen to a point far below that of safety. On the thirty-first of that month the four principal banks of Lima—Perú, Nacional del Perú, Lima, and La Providencia—appealed to the government for a moratorium on metallic payments. In order to avoid a general paralysis of business and with it "an economic and social shock the disastrous consequences of which it was not difficult to foresee," the government granted the plea and authorized the suspension of payments in coin.<sup>6</sup> The period of suspension was set at four months, that is, from September 1 to December 31. By this action the country "went on paper." It was this monetary situation which, a few days earlier, had forced a discontinuance of railroad-building operations.

It was hoped that the moratorium of four months would

<sup>4</sup> MS letter lent the author by Dr. Eugenio Pereira Salas, Santiago de Chile.

<sup>5</sup> Peru had practically gone off gold in 1873, all that metal having been exported, leaving silver—and paper, presumably supported by it—as the circulating mediums. Gold was restored as the standard in 1879. A sketch of the general lines of monetary history of Peru in the time of Meiggs is found in Alejandro Garland, *Estudio Económico sobre los medios circulantes usados en el Perú* (Lima, 1908), pp. 33-43.

<sup>6</sup> *Documentos Parlamentarios*, "Memoria del Ministro de Hacienda y Comercio al Congreso de 1876," III, 26. The minister was Juan Ignacio Elguera.

enable the government to make new guano contracts and increase the sale of nitrates to the extent that a favorable trade balance would be attained and the banks be given thereby an opportunity to build up again their metallic reserves. This hope was not realized.

Shortly after the moratorium was declared, the government entered into an agreement with the above-named banks which authorized them to make an issue of S/18,000,000 in bills. This sum was to be lent to the government, S/10,000,000 of it having already been advanced by the banks. The values which the government gave as a guarantee of this loan were described by the Minister of the Treasury as being

200,000 tons of guano which must be sold in five years in Mauritius and the Colonies by the banks themselves and whose guaranty value was calculated at six millions . . . ; eight millions of Consolidated Internal Debt which the Government possessed and whose guaranty value was calculated at four millions. There was stipulated in addition a reimbursement with the product of the nitrate negotiations which were then being initiated, of four and a half millions of *soles*; and for the balance from the negotiation for the sale of guano three and a half millions.<sup>7</sup>

The minister, continuing, mentioned some of the disadvantageous results of this measure. "The principal and most grave of these results" consisted, he declared, "in the depreciation of the bills, the inevitable consequence of the suppression of payments in metal."

No man of big business in the whole of Peru was so deeply affected in his interests by this condition as was Henry Meiggs. The base of his extensive operations was the income which he expected to secure from railway construction. Beginning with the Arequipa Railway, with a system of payment in cash, in subsequent operations he had been constrained to accept government bonds in payment for work completed. As the credit of the nation declined after 1872, he had more and more difficulty in selling these bonds or in floating loans on their security. One device after the other was employed, each with less effect than the preceding one. A year after the suspension of building

<sup>7</sup> *Ibid.*, III, 28.

operations, he indicated his desperate situation when he wrote to Manfred's widow, "I have been working & am still working night & day to get if possible my rights from this government—Up to the present time nothing has been done Excuse me my dear gal until I can breathe"<sup>8</sup>

The failure of the government in its attempts to float new loans convinced Don Enrique that, if he wished to escape ruin, he must take more positive action on his own initiative. Some means must be found, and that soon, for developing Peru's resources in such manner and to such an extent as to raise its credit. This consideration, there can be little doubt, led him to turn his attention to the possibilities of the Cerro de Pasco mines. For many years it had been assumed in Peru that the building of railways would stimulate, along with other activities, the development of mining. Don Enrique conceived the idea of reversing the process and using the exploitation of the mines of Cerro de Pasco—the richest in Peru—to aid in the completion of the railways which were so intimately associated with his interests. The metals of the mines were something tangible, real. Foreign capital might be tempted by the possibilities of wealth which lay in them. Accordingly, in May, 1876, he made important proposals to the government respecting the mines and the unfinished railways.

In the communication in which he advanced his proposals, Meiggs summarized his financial trials and losses:

Far from molesting Y. E. with importunities for the strict fulfillment of my contracts, I have left to the Government sufficient time to secure funds for materials for the Cuzco and Chimbote railways; I have sustained those roads with my private credit for an extended period; I have accepted in payment paper instead of cash; I have consented to suspend the works temporarily.

For these reasons I have suffered big losses. The lack of funds for materials obliged me to buy them at prices higher than those which would have sufficed if I had bought them at the time stipulated in the contracts; and the loans which the banks made me to give me funds on the security of certificates [for work completed] which the Government was not able to pay me, burdened me with interest payments.

<sup>8</sup> Lima, Oct. 4, 1876 (Valle-Riestra Family Papers).



In the same manner, the Treasury Bonds, received instead of money, at a high rate, were not sold except at losses which fell on me; and at present the suspension of the works is causing me loss, because I see myself under the necessity of holding the engineers and employees [other than laborers] whom I had before the suspension, in order to make use of their services at the moment when they may be needed.

Through all of these causes, I have lost more than six millions of *soles* according to what I have proved to Y. E. with the appropriate documents that are to be found in the Ministry of Government.<sup>9</sup>

✓ The financial salvation of himself and of the nation was, in Don Enrique's view, linked with the development of the mines of Cerro de Pasco—copper and silver, mainly. It was beyond doubt, he thought, that only by the exploitation of these mines could the situation of the country be bettered. A powerful impulse to the working of the mines must cause an increased production which would give sustenance to the Oroya Railway, most important of those constructed or being built. This activity would develop other industries and would serve "to establish the equilibrium, indispensable in the entire country, between its production and its consumption."<sup>10</sup> Just the point that Pardo had argued in 1862!

Don Enrique's proposal was to the effect that he would build a railway to Cerro de Pasco with his own funds and form a great corporation for the exploitation of the mines on condition that he be granted all the mineral lands of Cerro de Pasco, except those which were actually being worked (a rather small area), and all the public works, including machinery, which existed there. As compensation to the individuals who held grants and who had built improvements, he would turn over to them 10 per cent of the value of the minerals which he should take out.<sup>11</sup>

The government gave the proposition extended study. Finally, having satisfied the miners at Cerro de Pasco—not very favorably disposed toward the matter, naturally—and made

<sup>9</sup> June 12, 1876 (*Los Ferrocarriles del Perú*, I, 913).

<sup>10</sup> Open letter to the public written by Meiggs, dated Feb. 27, 1877, and published in *El Comercio*, March 2, 1877.

<sup>11</sup> See editorials in *El Comercio* of May 22, 23, 24, and 27, 1876. Other papers also carried many editorials and articles on the subject at this time and throughout several succeeding months.

some important changes in the terms of the original proposal, the officials agreed with Meiggs upon the bases of a contract. The definitive instrument was signed on February 3, 1877.

Meiggs should complete the Oroya Railway and continue the line to Cerro de Pasco. He should also provide a new drainage tunnel for the Cerro de Pasco mining district. The necessary funds were to be secured through Meiggs's own efforts. Capital was set at £2,400,000, the portion for the railways being £1,800,000; the government was to guarantee an annual interest of 7 per cent. Funds to service the nation's guaranty were to be derived from (a) the sale of 200,000 tons of guano, with Don Enrique as concessionaire for its sale in the United States, (b) the net profit from operation of the railway from Callao to Cerro de Pasco, (c) duties on the export of coin, metals, and ores, and (d) the state's portion of the profit which should be gained from working the mines, 25 per cent of the net product going to the state. The mines were granted to Meiggs.

Other provisions involved the completion of the Chimbote Railway to Yuramarca and the Juliaca-Cuzco Railway as far as Marangani for a sum slightly less than S/4,000,000. As soon as the contract should become effective, Meiggs was to take over the administration of all of these railways as well as the Pacasmayo Railway and the roads connecting Mollendo and Puno and to operate them free of any charge to the state until such time as all should be completed. A further article determined the sources from which was to be derived the sinking fund for the service of the above-mentioned S/4,000,000. Worthy of particular mention among these items (because of its connection with later developments) was a sum of S/80,000, one half of a monthly payment which the Central Bank (when it should be established!) was to make to the government.<sup>12</sup>

Embraced within the area granted to Meiggs were the claims of some half a hundred persons, each claim measuring

<sup>12</sup> For the text of the contract see *El Gobierno del Perú con Enrique Meiggs; contratos y demás documentos vigentes* (Lima, 1877), pp. 139-146. The contract is summarized in the report which the Minister of Government, Police, and Public Works made to the Congress of 1878, *Documentos Parlamentarios*, 1878, I, xxvii-xxviii.

100 by 300 meters in extent. The claimants were presented with the alternatives of continuing to work their claims, turning over to Meiggs 30 per cent of the ore taken out, or of releasing them to Meiggs and receiving 20 per cent of the ore extracted. Nearly all chose the latter arrangement.<sup>13</sup>

Among the materials turned over to Meiggs under the terms of the contract were two heavy Cornish pumping engines and a narrow-gauge railway, some seven miles long, which had been built in 1873 to carry the extracted ores to water-power.<sup>14</sup>

Don Enrique immediately set about the task of developing the mines. His chief adjutant in the work was William H. Cilley, formerly an executive in railway construction work. Under his direction extensive plans were made and much heavy machinery was ordered from the United States. It was anticipated that, given favorable conditions, annual production might reach the immense sum of \$100,000,000.<sup>15</sup> Cilley was quoted as saying to a contemporary that he estimated at \$70,000,000 the value of the silver visible above the water level in the mines.<sup>16</sup> These estimates touching Cerro de Pasco's potential wealth were probably not greatly exaggerated.

Though it was expected that the capital necessary to the execution of this contract would be secured abroad, Don Enrique did not wish to delay the commencement of operations until it was actually in his hands. He desired to begin at once, for time pressed. He had heavy obligations which demanded attention. He needed without delay something which could be used as money. To secure it he made with the Public Works and Development Company, of which he was president, an arrangement which ultimately caused him deep embarrassment.

Under the authorization of the contract of February 3, which capitalized at £2,400,000 the work to be done on the Oroya Railway, the Oroya-Cerro de Pasco Railway, and the mines of Cerro de Pasco, Meiggs made an arrangement with his company whereby it should complete the Oroya Railway and build the Oroya-Cerro de Pasco line. He then trans-

<sup>13</sup> *Engineering and Mining Journal*, Dec. 21, 1878, p. 437.

<sup>14</sup> *Ibid.*

<sup>15</sup> *Ibid.*

<sup>16</sup> Márquez, *La orjía financiera del Perú*, pp. 94-95.

ferred to the company Treasury Bonds of the face value of S/1,500,000 which had been given him in payment for work completed. These bonds were placed in the hands of the Consular Tribunal at Lima as guaranty, and against them the company issued and placed in circulation paper money to the sum of S/1,030,000. These bills were called by the public *Billetes de Meiggs*, or "Meiggs Bills." Presumably, they were payable to the bearer in current money on presentation to the Public Works and Development Company.<sup>17</sup>

Immediately a loud outcry against this new species of paper money was heard. A group of twenty-seven of the leading commercial houses of Lima and Callao drew up and presented to the government a memorial on the subject. Declaring that the issuance of the new bills had alarmed them profoundly, and predicting that the effects would be disastrous, they urged that Meiggs be restrained from issuing the bills until he should have arranged "the proper guaranties in metal."<sup>18</sup> The authorities placed the representation of the merchants in Meiggs's hands and asked him for a statement in defense of what he had done.<sup>19</sup>

Don Enrique's reply was an extended defense of the legitimacy of his action, an attack on the stability of the banknotes then in circulation as being backed by very small reserves of metal—which was undoubtedly the case—and a defense of his bills as being more secure. Moreover, the end in view—completion of the railways—tended toward assuring the welfare of the nation.<sup>20</sup>

The leading daily of Lima, *El Comercio*, supported Meiggs's cause. "Let work begin on the Oroya, Chimbote and Juliaca [railways], let work give to the poor man the bread which his children ask for; and these bills will be blessed because they will bring to firesides general well-being."<sup>21</sup>

*El Nacional*, on the contrary, was as critical of this as of

<sup>17</sup> Meiggs's announcement to the public in *El Comercio* of March 2, 1877. The letter was accompanied by the text of the documents relating to the deposit of the guaranty bonds with the proper authorities.

<sup>18</sup> *El Comercio*, March 3, 1877.

<sup>19</sup> *Ibid.*, March 5, 1877.

<sup>20</sup> *Ibid.*

<sup>21</sup> March 1, 1877. See also issue of March 14.



many other developments of recent years. The question was a grave one. The consent of the government to the emission could be the origin of many abuses "of which the sole victim would be the least wealthy classes of the country." Tomorrow Sr. Meiggs might launch another million, then another, to the extent that the misery and discontent which then reigned in the country would be greatly accentuated.<sup>22</sup>

*La Cartilla Popular* declared that, as Meiggs had well said, the banks were "the Calvary where he was crucified," and exhorted "Mr. Public" to receive the Meiggs bills with the highest confidence.<sup>23</sup>

The fight on the Meiggs bills between Don Enrique and the banks and commercial houses was carried to the public by every available means. Meiggs even went so far as to have distributed broadcast through the streets and squares of the city leaflets on which he argued the soundness of his bills and urged their acceptance by the public.<sup>24</sup> By mid-July, however, he discovered that he was waging a losing fight. On the fifteenth of that month the merchants of Lima, in a meeting of the Chamber of Commerce (*Junta Commercial*), resolved that they would not accept any bills except those that bore the seal of the government.<sup>25</sup>

The Meiggs bills did not have this seal. This action of the merchants (caused, according to Don Enrique, by the influence of bankers and wholesale houses who were in "most tenacious opposition" to him) provoked alarm and a demand by those who held the Meiggs bills that they be exchanged for the government-authorized banknotes. Meiggs tried desperately to arrange payment, offering to banks and other possible lenders as security for loans in bank paper, the triple and quadruple in government bonds. In every case he was refused, "as if a positive combination existed to deprive him of all means of action."<sup>26</sup>

<sup>22</sup> March 1, 1877.

<sup>23</sup> March 10, 1877.

<sup>24</sup> National Deputy Jiménez. *Diario de los Debates, Cámara de Diputados*, Congreso ordinario de 1878, p. 470.

<sup>25</sup> Meiggs to the Secretary of the Treasury, Aug. 11, 1877 (typed MS among the Meiggs Papers).

<sup>26</sup> *South Pacific Times*, July 21, 1877.

Under these circumstances Don Enrique was forced to announce to the public that he was unable to continue to redeem his bills in banknotes. The suspension, he said, would last until the government should grant his request that its obligations to him be changed to a form of which he could avail himself to raise funds and thus fulfil the obligations he had incurred "in carrying on the contracts for the public works." Or, if the government should deliver to him bonds of a conclusive form, he would at once have them sold by the Commercial Tribunal to the highest bidder and with the proceeds would pay off the entire issue.<sup>27</sup>

The *South Pacific Times*, commenting on the subject, declared: "The whole financial condition of the country is unsound. We could use a stronger and more expressive term if we desired it in representing the condition of things." Undoubtedly, the word *bankruptcy*.

Distressing indeed was the state of Peruvian economic affairs in midyear of 1877. A writer, "Y," in *El Comercio*, painted the picture with a number of slashing interrogatory strokes:

"Alongside the consoling pictures," let us trace with equal sincerity those which present contemporary history and we shall discover clearly that we have been ruined by public works, although no one claims to be ignorant of their usefulness.

Has not the population of Lima declined by twenty per cent?

Is not the name of Peru the blasphemy of the foreign creditor?

Is not our financial administration a miserable chaos?

Have not immense sums been lost in ruined industries?

Is not capital emigrating for lack of return and fleeing from sure loss?

Are we not all conscious of the extraordinary efforts necessary to secure the income which formerly we had so abundantly?

And if all this is certain, if these are the lessons of the past, ought we to persist in an identical course?

Will he who has succeeded in losing the half of his riches, better himself perhaps by venturing the remainder in order not to reduce his expenses? . . .

What does it matter that bars of silver are offered for the future

<sup>27</sup> *Ibid.*

when the loss of those which we possess today is established as a condition? . . .

Have railroads, which with other people triple wealth, been the means of our avoiding the crisis?<sup>28</sup>

Already, in advance of the July crisis, Don Enrique had hit upon another possible solution of his difficulties. Foreign bondholders had been paid no interest since July, 1875, and by a decree of February 21, 1877, the government suspended payment of interest on certain portions of the domestic debt—including the S/80,000 which Meiggs was to have been paid each month under the contract of February 3. Meiggs's bills were rejected by a public which was losing confidence in all types of paper money, and foreign exchange was rising. Something had to be done to rescue the country's credit, or stark disaster would shortly be encountered. Don Enrique described the situation as "a serious, a very serious one, but by no means a desperate one," since there was still "an exuberance of wealth and strength." Bearing the date of June 29, Meiggs presented to the President and to the press an extended communication which contained a review of the financial situation of Peru and a new proposal which was designed to better it.

Don Enrique's own résumé of his opinions on Peru's economic situation—found near the end of the second third of the document—suggests the content:

1st—That the Government should place at the disposal of its foreign creditors all the product of the guano, without any restriction whatever, reserving to itself only the unquestionable right of intervention for the protection of its own interests. It would thus fulfill strictly its obligations, respecting the rights of those who, with their money, obtained letters of the national debt, and its credit would be elevated to the height it ought to occupy. (Discourse of Mr. Pardo.)

2nd—That no considerable difference exists between the production and consumption of the country, and that a well grounded hope exists that the increase of production will be large and steady, since, encouraged by the growth of mining enterprise, others will arise and flourish.

3rd—That the Government should restrict itself to meeting its administrative expenses, from the natural and ordinary resources of the country, practising every economy compatible with efficient service.

<sup>28</sup> July 2, 1877.

4th—That, although it be true that the Government cannot, without careful study and due authorization, convert its entire internal debt, thus saving an enormous outlay for interest, and applying a fixed and periodical sum to its redemption; it may, at once assume, directly and exclusively, the bank issues guaranteed by it, and in its character as co-debtor to the public, cancel that part of its indebtedness to the Banks, corresponding to the amounts of their issue.<sup>29</sup>

Don Enrique declared that he did not consider the financial situation of Peru to be desperate. He believed that the evils that had brought about the disappearance of coin could be obviated. The proposition which he made as tending toward that end was limited, he said, "to exonerating the state from the burden of interest upon the so-called Meiggs' Bonds," upon those last given him in payment, and upon those that should thereafter be given him. His proposal was that the government should issue, or authorize him to issue, up to the sum of S/15,000,000 in notes payable to the bearer with the object and under the following conditions:

1st. The said notes shall be admitted in all the Government and municipal offices, institutions of instruction and beneficence, in payment of all debts or obligations, and shall be given out by the same in payment of all claims against them.

2nd—With the S.15,000,000 soles, shall be paid at par the Meiggs' Bonds, due on the 31st of May last; the bonds given me in payment on account of what the Government owes me; and those which are to be given to me in final payment of my credit and for the work upon the Chimbote and Cuzco Railroads, as far as Yuramarca and Marangani, the certificates of which I will opportunely present to the Government in accordance with the existing contract. [Elsewhere in the document Meiggs placed at some S/10,000,000 the amount owed to him by the government.]

3rd.—There shall be applied, each month, to the redemption of these bills, 1st, the 13 1-2 per cent of the receipts of the Callao Custom House, set apart by the Government by decree of February 21st, for the amortization of the Meiggs Bonds and 2ndly, the 80,000 soles which the Delegation of the Banks are to deliver me each month, from the 1st of January next, for the service of the other bonds.

4th—In case the Government should assume the guaranteed issue

<sup>29</sup> *South Pacific Times*, July 3; *El Comercio*, June 30, 1877.



of the Banks, the sums which it may designate for its redemption, shall be united with those mentioned in the preceding clause, to form a common fund for the amortization of both issues, without preference.<sup>30</sup>

The extensive yield of precious metal from Cerro de Pasco, declared Meiggs, was expected to build up a reserve of coin sufficient to supply all internal demands. One would certainly not expect any production of Don Enrique's pen to omit an optimistic statement concerning the railways. What Peru had been hearing to the point of nausea for the preceding fifteen years and more was again repeated: "Peru should expect everything from her railroads. When these are finished she will begin to reap an abundant crop of benefits. The agriculture of the interior will send to the coast products now brought from abroad, and the miner will export the ores which cannot be shipped today, on account of the want of carriage and the expense of transportation."<sup>31</sup>

About the time Meiggs released his review and his proposal, William Clarke suggested an even more far-reaching measure. Clarke had recently come to Peru as representative of the English holders of Peruvian bonds. As such, he was, of course, deeply interested in seeing the country's credit re-established, its solvency secured. He appears to have been a student of the financial history of the United States. Clarke discussed Peruvian finances with Meiggs. He suggested that the contractor ask the government for a special issue of notes for his company. Meiggs's analysis and proposal of June 29 followed.<sup>32</sup> Don Enrique's proposal, declared Clarke, was partial, whereas his own was radical. Government bonds, because of their depreciation, were insufficient for transactions and useless to their holders. The Englishman's idea, publicized in the papers of Lima, was that

*the Government should pay the whole internal debt at once at par, issuing for this purpose Treasury notes or greenbacks, as they are called in the United States.*

*These notes should be the only legal paper permitted to circulate, no payment being allowed to be made save in these or in coin.*

<sup>30</sup> *Ibid.*

<sup>31</sup> *Ibid.*

<sup>32</sup> Clarke, *Peru and Its Creditors*, p. 57.

The government should guarantee the issue with all the free property of the nation, with its production and reversionary interests.<sup>33</sup>

As the nation's internal debt amounted to about S/40,000,000, favorable action on this advice would have flooded the country with new paper money to that amount. There seems no room for doubt that the recovery of greenbacks in the United States—occasioned by the recent passage of the act which provided for a resumption of specie payment for them—influenced strongly the suggestions of Meiggs and Clarke.

That the question of the Meiggs bills and general national monetary policy became a matter of great public interest is proved by the fact that it was seized upon as a political issue. Piérola, the perennial oppositionist, declared himself in favor of redressing the wrongs complained of—or so says Clarke.<sup>34</sup>

After the subject had been discussed for several weeks and much pen and printer's ink had been spent in the process, Meiggs put his proposal in definite form, with some departures from the original proposition, and handed it to the government under date of August 11.

A few days later, while the officials were studying the proposal, an incident occurred which no doubt hastened their decision. On August 14 a crowd of persons (one newspaper called it "a great multitude") invaded the offices of Meiggs's Public Works Company, demanding redemption of their bills. There was no means of satisfying their demands, and disorder followed, the glass in one of the office doors being broken by the press of excited creditors. The police were summoned, and even the Prefect and the Minister of Government hurried to the scene. The minister assured the crowd that the decree guaranteeing the Meiggs bills would be hastened. This pledge calmed the mob and prevented a continuance of the disorder.<sup>35</sup>

The promised decree was issued on August 17, and its substance was embodied in a new contract with Meiggs which bore the same date. Article 1 announced that the government assumed thereby and obligated itself to pay the authorized emis-

<sup>33</sup> *Ibid.*, pp. 72-75; *South Pacific Times*, July 3, 1877.

<sup>34</sup> *Op. cit.*, p. 5.

<sup>35</sup> *El Comercio*, Aug. 14, 1877.

sion of the Associated Banks to the amount of S/15,000,000. The longest article concerned the new financial arrangement with Meiggs:

Art. 7th.—The proposal which don Enrique Meiggs has made to the Government, with the date of the 11th of the present month, is accepted, and in consequence he is authorized to emit notes to the bearer to the sum of FOUR MILLION THREE HUNDRED THREE THOUSAND THREE HUNDRED THIRTY-THREE SOLES, in order that [that sum] added to ONE MILLION THIRTY THOUSAND SOLES, which without authorization the "Public Works and Development Company" has emitted and has in circulation, [may] form a total emission of FIVE MILLION THREE HUNDRED THIRTY-THREE THOUSAND THREE HUNDRED THIRTY-THREE SOLES, the value of the special Treasury Bonds, which were given to Meiggs, in payment for railway works; to apply to the balance owed Meiggs, for work done, is the difference which results between the rate of seventy-five per cent, at which the Government gave him the aforesaid bonds, and the nominal rate at which they are now retired: and the Government assumes responsibility for the payment of the bills which Meiggs or the aforesaid Company may emit, to the said sum of 5,333,333 [soles] which shall receive the official seal and will be received in the offices and establishments of the State and the Municipalities and of the branches of Public Instruction and Beneficence, the same as the authorized Bills of the Associated Banks.

Additional sections of the decree and the contract stipulated definitely the sources from which would be secured, it was supposed, the funds necessary for the amortization of the bills.<sup>36</sup>

With this measure the government of Peru frankly entered upon a regime of paper—one might say fiat—money. Practically, this had been the situation for some time past. The arguments of Meiggs and Clarke had had their intended effect. Each hoped to realize from the results of the decree the desire that lay nearest his heart—Don Enrique the completion of the railways and development of his silver mines, Clarke the betterment of Peruvian finances and, ultimately, the payment of the foreign debt.

<sup>36</sup> MS copy in the Meiggs Papers. It was also published in the Lima papers and in the *South Pacific Times*, Aug. 21, 1877. Richard Gibbs, American chargé at Lima, thought it of sufficient importance to be sent to his home government; he sent a clipping from the *South Pacific Times* which presented an English translation of the decree (MSS, Department of State, Despatches from Peru, XXIX, enclosed with No. 189, Aug. 27, 1877).

The decree of August 17 was not received with unanimous acclaim. *El Comercio*, approving, remarked on the eighteenth that on that day the Meiggs bills had "begun anew to circulate with facility." They had been received in the public offices in Lima and Callao. The *South Pacific Times* thought that the government had done "the best thing in the emergency," though there was strenuous opposition on the part of "an interested few."<sup>37</sup> The "few" referred to were the leading merchants of Lima, who, despite the new authorization, persisted in their refusal to receive the Meiggs bills.<sup>38</sup> The price of gold went up; exchange became worse.<sup>39</sup> On August 27 a special commission representing the banks of Lima and Callao conferred with President Prado, protesting that their obligations toward the public had been adversely affected by the decree. The President expressed himself as being inclined to repair the injuries of which complaint had been made.<sup>40</sup>

Meiggs himself was well pleased with his success, and on the eighteenth he addressed to the President a personal letter filled with flattery. Eventually, the act of issuing the decree would constitute "one of the most brilliant pages" of the history of President Prado's administration.<sup>41</sup> Meiggs the Prophet frequently spoke in this vein.

But, despite his optimism, the day was not saved. Writing of this time, an Englishman who was an eyewitness of the events—an acute observer who wielded a vitriol-tipped pen—asserted that "a patriotic repudiation of national duty and debt" was being prepared:

The arguments by which "prominent" Peruvians are fortifying themselves for a step which at any moment may be taken, are neither moral nor convincing, except to themselves. "Peru must live," they say, which does not mean a noble form of poverty, but an altogether ignoble form of extravagance, and even wasteful magnificence. We must have our army, our navy, our President, his ministers, our judges, our ambassadors, our newspapers, stationery, bunting, gas for the plaza

<sup>37</sup> Aug. 23.

<sup>38</sup> *South Pacific Times*, Aug. 25, quoting *El Peruano*, the official journal.

<sup>39</sup> *Ibid.*

<sup>40</sup> *South Pacific Times*, Aug. 30, 1877.

<sup>41</sup> *El Comercio*, Aug. 18, 1877.



on feast days, wax candles for our churches by night and by day, a national police, gunpowder, jails for foreign delinquents, and railways to the Milky Way, to show to neighboring republics and all the world that Peru is a fine nation.

There is not one of all these splendid items which, so far as the people are concerned, could not be dispensed with.

But to live, they reiterate, is the primary object and purpose of all nations, and especially republican nations, forgetting, or, what is much more likely, never having known, that death is preferable to a shamed life, and that there are times when it is clearly a duty to die.<sup>42</sup>

A bit exaggerated, perhaps, but a clear statement of the attitude of the capitalists of the era—particularly of those Englishmen who possessed uncomfortable quantities of Peru's ornate and impressive-looking public bonds. Clearly, it was the duty of every loyal Peruvian to die for the jolly old English bondholder!

The arrangement of August 17 was Don Enrique's last *negocio* with the Peruvian government, or with any government. On March 5, 1877, he had given notice to the public that work on the Cerro de Pasco drainage tunnel would be commenced on the following May 4,<sup>43</sup> and in his communications to the government of June 29 and August 11 he made reference to work on the railways as being under way. But, if work was actually resumed, it was on a very reduced scale, and little more of value was accomplished by him. Facing a desperate situation (though he refused to admit despair), Don Enrique had fought with the strength of desperation, but for him the struggle went for naught. The curtain was about to be drawn on the final act of his dramatic life.<sup>44</sup>

<sup>42</sup> Duffield, *Peru in the Guano Age*, pp. 115-116.

<sup>43</sup> *El Comercio*, March 5.

<sup>44</sup> The content of this chapter was published in Spanish in *Historia* (Revista bimestral, Lima), I (Julio-Agosto, 1943), 238-252.

## XVII

### THE FINAL PAGEANT

DURING THE YEARS of his exile, Henry Meiggs hoped, and in his later years planned, to return to the land of his origin. Though he does not cite his authority, Hittell declares, "For years he was anxious to return to San Francisco." The California legislature, influenced it may be by Don Enrique's friends, in 1873 passed a bill to exempt him from prosecution for his crimes in case he should return. The bill was vetoed by the governor on the ground that it was an infringement of the executive's pardoning power.<sup>1</sup> General Isaac Wistar wrote in this connection that Meiggs "was said to have invested large sums in an effort to obtain certain legislation better adapted to his particular necessities than to the public welfare. But that process being carried on at arm's length through agents, was complicated, difficult, and expensive, since American statesmen are not found to be had for nothing."<sup>2</sup>

The action of Meiggs in buying up his forged, and other, paper could have been the result of a wish to make possible his later return, though it need not necessarily be so interpreted. The same statement may be made of the uniform courtesy and hospitality which he practiced toward Americans, official and otherwise, who came to Lima.

One further item of evidence on this point supports more positively the assertion that Meiggs actually planned to return to the United States. A San Francisco newspaper, on learning of Meiggs's death, published an extended article concerning his life and activities. An informant quoted was "Dr. George

<sup>1</sup> Hittell, *History of San Francisco, etc.*, p. 226.

<sup>2</sup> *Autobiography*, p. 323.

R. Ghiselin, of Peru, who is now sojourning at the Baldwin." Dr. Ghiselin, speaking of Meiggs's recollections of California, said: "He expressed to me frequently, the last time I dined at his house, in July last, his desire to return and see his friends in California. He then said: 'If my life is spared two years more I shall see them.' He never referred to the subject without dwelling deeply and affectionately on the pleasure which he would derive from greeting his San Francisco friends in this city."<sup>3</sup>

If he did in fact wish to return, Meiggs must have been greatly pleased by the action taken by a group of "Old Californians" in New York City early in 1875. The content of a resolution which was passed by them is self-explanatory:

At a re-union of old

CALIFORNIANS

held at the

Sturtevant House, New-York

Thursday evening February 11, 1875

The following resolution offered by Mr. John Sickels  
was adopted;

RESOLVED,

That the old Californians assembled here to-night have heard with inexpressible pleasure and pride of the splendid achievements of their old fellow-citizen,

HENRY MEIGGS

in Chili and Peru,

in the introduction of the great modern civilizer, the rail-road and the locomotive, and have marked the progress which has resulted to the people of those countries, by reason of the energy and enterprise of this great man. Recognizing the honor which he has conferred upon himself as an old Californian and as an

AMERICAN CITIZEN

we extend to him our congratulations, and rejoice with pride in the fame and prosperity which he has so fairly earned.——

<sup>3</sup> Clipping from a San Francisco paper of about Oct., 1877, found in the Archivo Vicuña Mackenna, pp. 26-28, No. 6, of "Papeles impresos referentes a don Enrique Meiggs y los Milionarios Rothschilds y varios otros."

GEN. THOS. D. JOHNS, moved that the secretary be instructed to have the resolution engrossed, framed and forwarded to Mr. Henry Meiggs.

(Signed) W. B. Farwell

Secretary,  
H. G. Gibson  
Chairman<sup>4</sup>

When one remembers Don Enrique's love of a spectacle, it is quite easy to believe that he—who had left San Francisco "as a thief in the night"—would have relished to the highest degree the drama of a return in the character of a successful man of millions who had made recompense, at least in a fashion, for his wrongs of a former exceedingly exigent time. It is quite probable that he longed so to return. After 1872, however, there was never a time when he could have liquidated his Peruvian ventures and left the country with a bank balance of respectable proportions. As he declared repeatedly in letters to members of his family, he was a "slave" to his business. The only time at which he could have left Peru as a millionaire was when he inaugurated the Mollendo-Arequipa Railway at the end of 1871. But, already, he had made other and much greater contracts from which he expected to gain many more millions. Consequently, he did not grasp the only opportunity for departure which Fate ever offered him.

The earliest reference to an illness of Meiggs which has been encountered appears in the oft-cited Meiggs Manuscript, written late in 1871. The author of that interesting bit of special pleading wrote: "Sometimes he is found with his head between his hands, elbows on the table, a bit pale. Then it is enough to ask him what is wrong in order that, shaking his head and replying, 'Nothing,' he should resume his position. Finally he would complain of his heart and his throat and go back to work nevertheless as a poor 'man would.'"

In August, 1875, Don Enrique suffered a serious illness. He was temporarily paralyzed on the right side and had at the same time an attack of erysipelas. He was so ill that his

<sup>4</sup> Copy sent the author by Mr. H. F. Meiggs, of Palo Alto, Calif. Mr. Meiggs writes that "the original is in a large frame." It is owned by Mr. Meiggs, a grandson of Don Enrique.



son Manfred was hastily summoned from Santiago. Manfred spent several days at Villegas, writing frequently to the young wife whom he had left with the children in the "Quinta Meiggs." In the first of his letters, dated August 18, he declared that he had found his father dangerously ill and without hope of life, the consequence of "a terrible cerebral attack." After this attack, wrote Manfred, "came erysipelas which covered his head, leaving his face almost unrecognizable." On the twentieth, Manfred wrote that his father was much better, having "a little movement in the right leg and arm." The following day he was able to report that his "papa" was out of danger.<sup>5</sup> A Callao newspaper, commenting on the good news, remarked: "Whilst in a social point of view his loss would be a bereavement, in a public sense it would be nothing short of a calamity which, thank God, has now been averted."<sup>6</sup>

Meiggs could hardly have been entirely recovered from this illness when he received a severe shock through the death of his son Manfred. The young man had no more than returned to his Chilean home when he was seized by an attack of brain fever. He succumbed on October 19 at the early age of twenty-seven years.<sup>7</sup> The care of the young widow and her four small children devolved upon Don Enrique. The grandfather suffered still another loss shortly afterward when William, the youngest of these children, died.<sup>8</sup>

The widow, Lucrecia Soto de Meiggs, was a beautiful woman. Since she was still in her early twenties at the time of Manfred's death, it is not to be wondered at that she should have been greatly affected by her bereavement and much in need of advice and care. Her father-in-law looked after the family while he lived, but with an occasional expression of impatience. In a letter of February 21, 1877, with the thought of his own insecurity in mind, perhaps, and wishing to prepare her for the possibility of the failure of his help, he wrote her:

<sup>5</sup> All of these letters are in the Valle-Riestra Family Papers.

<sup>6</sup> *South Pacific Times*, Aug. 21, 1875.

<sup>7</sup> *Ibid.*, Oct. 26, 1875.

<sup>8</sup> Clause 3 of Meiggs's will (original in the Meiggs Papers).

. . . I do not like you to be so triste [sad], as you always are—It is your duty to your children and yourself, to *wake up* & b[e] somebody *on your own account* This long whining is not proper, and you should now *leave it off* and attend steadily to your *quehacers* [quehaceres: affairs]—. . .

It is high time Lucrecia, that you should look out sharp—Do not think that those around you will do so for you—<sup>9</sup>

Though Don Enrique was able to take such matters in his stride, they were added items of the multitudinous worries under which he suffered and worked in the course of his last two years. The state of his finances was anything but consolatory and demanded of him unremitting and severe activity. These exertions, combined with his advancing years and an increasingly serious heart disease, proved to be too much for him. His last illness came upon him in the midst of the fight over the Meiggs bills which led to the arrangement with the government of August 17.

Meiggs must have foreseen that the approaching illness would quite possibly be his last, for on August 10 he called to his home a group of eight of his business associates and friends<sup>10</sup> and read to them and in their presence sealed in due form his last will and testament. When the document was probated some weeks later, only those portions that related to his arrangements for carrying on his business ventures were published. The other sections were omitted as being of a private nature and interesting only to the family. Some of these clauses are, however, of very great interest to the student of Henry Meiggs's life and are for that reason presented here, most of them in summary form.

Clauses 2 and 3 gave the facts of Meiggs's two marriages and named his legitimate offspring, including grandchildren.

In Clause 4 he stated that neither of his wives had brought any material wealth to her marriage and that at the date of the demise of the second wife—December 25, 1861—he possessed "no capital nor wealth of any sort," since his debts

<sup>9</sup> Valle-Riestra Family Papers.

<sup>10</sup> They were Jorge de Texanos Pinto, Dionisio Derteano, Henry M. Brent, Manuel Gaspar Chávez, Luis Benjamín Cisneros, M. Moscoso Melgar, Felipe Varela y Valle, and Francisco Palacios. See Clause 34 of the will.

"exceeded by much" the value of what then belonged to him. (That Christmas, it is to be remembered, antedated by almost two years the completion of the Santiago-Valparaíso Railway.)

Clause 6 is of particular interest: "I declare that, while I lived in California, I contracted some debts which I was not able to pay then. Later I paid them all, sending money to California by means of my Agents, as is shown by the documents which I leave among my papers."

In Clause 8 he declared that on the nineteenth of October, 1872, he had signed a document transferring to his brother, John G., and John Campbell all the contracts which he had concluded with the Peruvian government for the construction of railways and other matters, but that the contract was without effect, as John G. and Campbell had not complied with its terms. Nothing has been found which explains either the reason for making this contract or for not carrying it out.

Ninth—I declare that I gave to each one of my four children, Henry, Manfred, Minor and Fannie, two hundred thousand *soles*, as an anticipation of heirship, according to official documents registered in Chile.—Posteriorly I used those funds for my own business in this capital; and in actuality I made different arrangements to return them to the interested parties, as appears from the several deeds to that effect which I have registered.

Clauses 10 to 17, inclusive, provided for bequests to his nearer relatives—brothers and sisters, nieces and nephews, grandchildren and godchildren—sums ranging from S/100,000 to each of the brothers and sisters down to S/10,000 for the lowest category. Clause 14 bequeathed the latter amount to "my grandson Henry Frederick Meiggs, son of my son Henry."

Clauses 18 and 19 contain the bequests previously noted<sup>11</sup> to Carolina Leyghton and her son, Carlos Pío Leyghton, of Chile. The latter was to be "assured with preference to all the others."

Clauses 20, 21, and 22 provided small bequests to three others persons, two of them servants.

In Clause 25, Don Enrique declared that he had paid

<sup>11</sup> See pp. 246-247.

Dr. Lino Alarco for his services up to December 31, 1876, and expressed his desire that the doctor be paid for all of the time that he should serve him after that date the sum of S/500 for each month. An equal sum per month, dating from the previous July, was to be paid to Dr. Manuel Odriozola. The succeeding clause ordered that S/500 be paid to Dr. Emilio L. Mola "for professional services," in case Meiggs should not have made the payment before his death.

Of the remaining clauses—there are thirty-four in all—27 is the most notable. Since it related to the arrangement for carrying on Don Enrique's business and was, therefore, of much importance subsequently, it is quoted in full—in translation (the will is, of course, in Spanish in the original):

Twenty-seven—As it may happen that my death will occur before I shall have fulfilled the contracts that I have made with the Supreme Government, or before I shall have transmitted them to some person, or society, it is necessary to make suitable arrangement for the direction of the work.—With such object, I dispose that all the contracts pending at the time of my demise be executed and fulfilled by a Directorate composed of my legitimate sons Henry H. and Minor K. Meiggs, of my son-in-law Mr. Alexander Robertson, of Mr. Carlos Watson, of Mr. Jacob Backus, and of Mr. William H. Cilley, whom I name testamentary executors and legal representatives for the fulfillment of said contracts.—If any of the six individuals mentioned should die or should absent himself from the Republic, he will be replaced by one of the following gentlemen: Mr. William M. Bush, Mr. John L. Thorndike or Mr. Charles S. Rand, after the order in which they are named.—The deliberations of this Directorate shall be governed by majority vote, as well for executing the contracts as also for transferring them to any person or company; if they should believe it desirable, since I concede them full powers for everything. Mr. Charles Watson will be President of this Directorate and shall have power to represent it and to sign for the *Empresa*.—In case of the death or incapacity of Mr. Charles Watson, the office of President of the Directorate shall fall upon my son Henry H. Meiggs, and in case of his disability upon my other son Minor K. Meiggs.—The President of the Directorate shall receive for his work two thousand *soles* each month, and the other members of the Directorate six thousand *soles* per year.—Only the Directors who have no other salary from the *Empresa* or the Public



Works and Development Company shall receive this salary; those who may have another, will receive only the salary associated with their posts.

Clauses 29 and 30 named his legitimate sons and his son-in-law as executors of his will in all matters not concerned with the existing contracts, and directed them to consult the opinion of Dr. Francisco García Calderón.

Thirty-one.—I establish as my general heirs my legitimate sons Henry H. and Minor K. Meiggs and Fannie K. Meiggs Robertson, and my legitimate grandchildren, in representation of their father, my son Manfred.

Clause 32 provided that payment of debts should take precedence over the payment of legacies, and that if there should remain money for the payment of only some of the legacies, those stipulated in Clauses 19-22 should have preference—19, it will be recalled, above all others.<sup>12</sup>

Despite the ministrations of Drs. Alarco and Odriozola, Don Enrique's illness advanced. On August 21 it was reported that he was "gravely ill," that his attendants feared for his life, and that for that reason "spiritual aids" had been administered to him.<sup>13</sup> Though positive proof is lacking, from the facts that he received these "spiritual aids," that his burial service was held in a Catholic church, and that his body was admitted to a Catholic cemetery, it is to be presumed that Don Enrique before his death had become a member of the Catholic church.

It is apparent that Meiggs was a fighter to the last, for, exhibiting great vital powers, he held out forty-five days against the encroaching forces of dissolution. But at length, exhausted, he had to accept defeat and surrender the fortress that had withstood so many and such varied attacks. He died shortly after midnight on the morning of September 30.<sup>14</sup> "As far as we can learn," asserted the *South Pacific Times*, "the

<sup>12</sup> The will was opened and probated on Oct. 4, 1877. The Peruvian government three weeks later recognized officially as Meiggs's successors the Directorate set up under the provisions of Clause 27 (*El Comercio*, Nov. 3, 1877).

<sup>13</sup> *El Comercio*.

<sup>14</sup> Richard Gibbs to Secretary of State Wm. M. Evarts, Oct. 1, 1877 (MSS, Department of State, Despatches from Peru, XXIX, No. 197).

cause of death was an obstruction of the valves of the heart."<sup>15</sup>

So passed the man who had been for almost a decade a giant on the Peruvian horizon. An American diplomatic agent in Chile had described Meiggs in 1855 as "a heinous criminal." Twenty-two years later, Richard Gibbs, American minister to Peru, reported the death of "Henry Meiggs, an American citizen" whose name was "identified with all the great rail roads of Chili and Peru, a man of extraordinary abilities in rail road building," and lauded his "great generous hospitality."<sup>16</sup> There were no doubt many persons who could agree with Gibbs when he wrote, "I am of opinion that his death (Mr. Meiggs') will be a severe loss to Peru in many ways and a check to the continuation of the various . . . roads now in construction."<sup>17</sup>

What a pity that Henry Meiggs was not able to be a sentient participant in his own funeral! He would have enjoyed it thoroughly. For the public of Lima and Callao made of it one of those great pageants for which Peru had long been famous—which Don Enrique had known so well how to stage, and many of which he had celebrated. It was said to have been probably the grandest funeral that Peru had seen. The Peruvian public—plagued by political ills, racked by economic insecurity, and wondering whence the next meal was to come—were ready to turn enthusiastically to anything that would enable them for a brief space to forget the distressing facts of life, even though the occasion were death itself. For some, no doubt, the occasion was cause for genuine grief, for Don Enrique had given aid to many and had enjoyed a wide reputation as a philanthropist. The family and business associates might well grieve for reasons in addition to those of personal affection. The keystone of their economic shelter was removed, and at any moment the building might collapse. But the great majority of those who participated in the funeral probably sorrowed vicariously, displaying an emotion suitable to participation in this great drama of death.

The doctors, Alarco and Odriozola, embalmed the body

<sup>15</sup> Oct. 2.

<sup>16</sup> Oct. 1, 1877 (*loc. cit.*).

<sup>17</sup> *Ibid.*

and placed it in "a superb casket, richly ornamented." It was then conveyed to the Lima (not Villegas) home, where, in a black-draped, flower-decorated room, it remained for twelve hours, guarded by members of the Lima Fire Brigade, of which Don Enrique had been an honorary member. Crowds came and went throughout October 2 and immense throngs congregated outside—to such a degree, in fact, that members of the fire brigade had to be stationed at the street door to make possible entrance and exit. The body was to be removed in the evening to La Merced (Our Lady of Mercy) Church, there to lie for the night. As the hour of removal approached, the crowd about the house increased to an estimated thirty thousand. Let a reporter who was evidently an eyewitness describe the scene:

. . . At ten o'clock the signal was given, and the massive coffin lifted on the shoulders of a number of the operatives of the Oroya Railway who insisted on this tribute of affection.

Proceeding slowly down the wide marble staircase of the house, in order to gain the main street, the spectacle presented was worthy of the weird pencil of Salvator Rosa, the coffin itself covered with white flowers swaying to and fro on the shoulders of the bearers, whose heads were hidden almost by the floral wealth. On either side was [*sic*] gleaming the gaudy uniforms of the firemen, red, blue, and green for the Lima Company had been re-inforced by the English, French and Italian Brigades, all bearing torches, whose light was strangely reflected back from the dead white walls. The sombre garb of the priests and acolytes who lined the stair case, giving a mystical back ground to the stream of color that was passing down, and the chorus of lamentations arising from many dependents on the bounty of the dead man—women, children and invalids, who from the court-yard of the house lifted up their voices in distress—the whole scene was one to be remembered for a life-time. With difficulty was the line of march continued to the church, some six squares distant. . . . At last the portals of the Merced were reached, and the community, robed in black vestments, sallied forth to meet the guests. The stately chants, plaintive yet noble in their cadence, were sung, and the body deposited under guard in the principal nave of the church, where it was to remain until the next morning.<sup>18</sup>

<sup>18</sup> From an account dated "Panama, October 25, 1877," evidently published in a newspaper there, reprinted in Henry P. Meigs, *Record of the Descendants of Vincent Meigs*, p. 279.

The Church of Our Lady of Mercy was draped for the occasion in black velvet, "relieved by silver ornaments representing tears," lighted by innumerable candles, and perfumed by clouds of incense. Again, on the following day, the press of sympathetic and curious humanity was great. The first arrivals came to the church as early as six thirty o'clock. By ten, the family and close friends were in the places reserved for them. The ceremony was presided over by "the Minister of the United States, Richard Gibbs; Minor and Henry Meiggs . . . and W. Robertson." The "principal musicians and vocalists of the capital" had been recruited for the occasion. Under the direction of Professor Rebagliati they executed most effectively Mozart's requiem mass and Stradella's "Per pietà, Signor," the latter having been chosen by Don Enrique himself. As sermons were not customary at such times in Lima, none was spoken here.

The pallbearers were Richard Gibbs, Francisco García Calderón (who had been Meiggs's lawyer), Ernesto Malinowski, Edward C. DuBois, John L. Thorndike, Wm. H. Cilley, Charles S. Rand, and Edmund W. Sartori, close business associates, most of them connected with the Public Works and Development Company. While they were bearing the casket from the church at the conclusion of the mass, there occurred a scene, semihysterical in its nature, which could have taken place only among an impressionable and more or less undisciplined people. *El Comercio's* reporter, describing it, wrote:

. . . they tried to place the casket on the funeral carriage, which awaited in the street, covered with draperies and drawn by four horses.

Entirely unexpectedly a scene more touching than can be imagined is exhibited.

The people beg, supplicate that they be allowed to carry the body on their shoulders. The relatives explain that this is almost impossible because of the weight of the metal urn.

The people insist: explanations are worthless; resistance is vain.

A single voice of command is heard; a supplication though in a threatening tone resounds:—

"Boys! he is our protector! To the shoulder, to the shoulder!"

And it was necessary to give way to the will of so many. How could they be resisted?



In an instant the heavy casket went up like a feather, first in the hands and then to the shoulders of as many as were able to get under it.

What demonstration could equal that of so much affection? The multitude crowded in behind the bearers, disputing among themselves for the right to replace them. . . .

At the corner of Judíos the firemen succeeded in persuading the people of the inconvenience of continuing the march at so slow a pace and had the coffin placed on a hand cart which they drew, and on which was conducted to his last habitation, on the arms, we might say, of his dear friends, that extraordinary man who knew how to make himself much and well loved and whose loss we cannot yet measure to its full extent.<sup>19</sup>

The accounts speak of the one hundred or the two hundred private carriages which drove to the General Cemetery in the funeral procession. Estimates of the number of those who witnessed the pageant vary from ten to twenty thousand. For the benefit of the poor who had no means of transportation, a special train was run free of charge from the Desemparados Station, in the center of Lima, to the cemetery. The services there were terminated at two thirty in the afternoon.

The body was deposited temporarily in the Pantheon. On the tenth it was transferred on a special train to the Villegas estate. The train, three coaches and a carriage for the body in addition to the engine, was decorated in black and white, the voluntary work of some employees of the line. At Villegas the remains were placed in a temporary vault where they were to remain until "the permanent Mausoleum to be erected there" should be ready.<sup>20</sup> So ended the immediate obsequies of Henry Meiggs.

But post-mortem matters did not go according to plan—even Don Enrique's bones could not rest in peace. The very last of this man's grandiose ideas failed of fulfillment, for it appears that the "Mausoleum" was never built—not a matter of surprise when the state of the deceased's finances is remembered. Certainly the very modest structure at Villegas which

<sup>19</sup> Oct. 3, 1877. A lengthy description of the funeral was published in the *South Pacific Times*, Oct. 13. In fact, all the Peruvian papers gave much space to the great event.

<sup>20</sup> *South Pacific Times*, Oct. 13, 1877.

was pointed out to the author in 1936 as the tomb of Don Enrique Meiggs could not by any stretch of the imagination properly be called a *mausoleum*. It is a low building of concrete of some eight by ten feet, its thick walls painted white without, blue within. In the gable at the end opposite the entrance is the only window—nothing more than two narrow slits so placed as to form a cross. The door is but a heavy iron grating on hinges. A great clump of flowering, tropical shrubbery, *lluvia de oro* ("shower of gold!")—lovely in the spring—partially overhangs the structure. (Illustration facing page 34.)

But the remains of Henry Meiggs do not now repose in this vault. A daughter of Manfred Meiggs informed the author that about the year 1910 grave-robbers broke into the tomb and violated the casket. The door shows evidence of having been forced. Thereupon, the members of the family who were living in Lima and its environs decided that the remains should be removed to the Lima General Cemetery. This was done, according to the daughter's statement. (The writer spent many hours turning the leaves of the records of burials of that cemetery for the years 1908 to 1912, but was unable to locate the entry which records this interment. Entries are made chronologically rather than alphabetically, and unless one knows the date within a year or so, it is an endless task to find a particular entry.) In the cemetery is a marker which bears this inscription (parts enclosed in brackets are missing):

HE[N]RY MEIGGS  
[BORN] JULY 7TH, 1811  
D[IED] SEPT. 30TH, 1877

In conformity with Meiggs's character, the marker is striking. It is a huge gray granite boulder of very roughly rectangular shape. One side is smoothed down sufficiently to permit the attaching of the bronze letters of the inscription. Its dimensions are some four by four by five feet, and it must weigh several tons. Incongruously, the boulder is surmounted by a polished black marble cross three or four feet high set into the center. The cross appears to have been an afterthought—an unhappy one, for it destroys the balance of the composition—

placed by some devout member of the family. The boulder is said to have been cut from the rock of Mt. Meiggs under which runs the Galera tunnel that Don Enrique built and through which the trains of the Oroya Railway now pass. It weighs down the contractor's bones even as the debts made in the attempt to build this and other railways continued to weigh down the Peruvian nation.

"Henry Meiggs died, in good time, in his bed," declared an American editor some years after his death. With this opinion the writer is in entire agreement. If he had lived, it is very doubtful that he could have avoided complete bankruptcy until February, 1879, when the War of the Pacific was begun. One result of that war was an extended period of bankruptcy for the Peruvian government. In it Don Enrique, had he lived and still been solvent, must inevitably have shared. In fact, at the time of his death, his financial empire lay in ruins about him. A dependable witness, one who had important interests in Peru, may be quoted on this point:

New York, October 12.—W. R. Grace, head of the chief Peruvian firm in this city, speaking of the financial condition of the late Henry Meiggs at the time of his death, says he thinks that really nothing except a mass of worthless securities and contracts are left behind Meiggs, and declares he should be very sorry to be a creditor of the estate. Everything of real value, or nearly everything, had been gotten rid of by him some time ago, and what may be left was probably mortgaged to its full value. Meiggs was a visionary man, who carried out vast schemes, but they were often things that a sound business man would consider worthless. He thinks the estate cannot be settled so as to pay his debts, let alone leaving any surplus.<sup>21</sup>

Grace—father of the Grace Line, incidentally—was right. After Meiggs's death, his heirs (represented at first by the Directorate and then by John L. Thorndike, who, in 1885, took over that part of the Meiggs interests that had not otherwise been disposed of) engaged in a long controversy with the Peruvian government in an effort to secure what they regarded as

<sup>21</sup> Archivo Vicuña Mackenna, 26-28, No. 6, "Papeles impresos referentes á don Enrique Meiggs, etc." The clipping appears to have been from a San Francisco paper of Oct., 1877.

their rights.<sup>22</sup> The controversy ended in 1890 when the foreign holders of Peruvian bonds, in the main English, organized as the Peruvian Corporation, Ltd., took over the government railways on a long-term lease in the hope of recovering on their defaulted bonds. The Meiggs heirs got practically nothing.

After Meiggs's death, extravagant eulogies were printed in the papers friendly to him, though in some of them a note of restraint is detected. The *South Pacific Times*—most certainly friendly—was constrained to admit that there might be some who would question the real value of the "grand enterprises" which he had inaugurated.<sup>23</sup>

Poems were written on the theme of the deceased great man, one of them appearing on the day after his death, as if already written for the occasion.<sup>24</sup> And as late as the first anniversary of his demise, *El Comercio* published, in commemoration of the lamentable event, a laudatory poem entitled "Enrique Meiggs." While nauseously panegyric and not calculated to increase the repute of Peruvian poets in general, it proves that one year did not suffice to erase the memory of Don Enrique. Freely translated, part of it runs:

... See it standing there, the upright figure  
Of the noble son of the generous Catskill,  
Vigorous, displaying  
On robust shoulders the head  
That, powerful, guards  
Confusion from conception of thoughts;  
With limpid purity,  
On his serene brow

<sup>22</sup> For further information on the fate of the Meiggs interests, see *Exposición que hace don Carlos Watson de sus relaciones con el Supremo Gobierno como concesionario de los contratos con don Enrique Meiggs* (Lima, 1878); John L. Thorndike, *Reply of the Contractor for the Southern Railways to a Manifest Published by the Minister of the Interior Mr. Caravedo addressed to H. E. the President of the Republic* (Lima, 1887); *The Southern Railroads and the Resolution of the House of Representatives* (Lima, 1887); *Ferrocarriles del Sur: Documentos Relativos á su Recuperación por el Gobierno del Perú* (Lima, 1888); *El Supremo Gobierno del Perú con Miguel P. Grace: Expediente y documentos referentes á la empresa minera y ferrocarril del Callao al Cerro de Pasco* (Lima, 1885). In 1885 the Grace people took over from the Meiggs heirs their rights in the Cerro de Pasco mines.

<sup>23</sup> Oct. 2, 1877.

<sup>24</sup> In *El Comercio*, entitled "En la muerte del señor don Enrique Meiggs."



With resplendent brilliance irradiates  
The aureole of vivid reflections  
Of the marvelous sun that lights up his soul.  
In his eyes of blue,  
Like the clear lamp of his conscience,  
Shines as a dazzling spark  
The expression of surpassing intelligence;  
His glance throws off  
The spark of shining talent,  
And sketched on his lips is seen  
Perpetually a smile  
Of affectionate goodness,  
Pledge or sign of the most beautiful virtue  
Which among his virtues most surpasses,  
That the Lord placed on him as an emblem  
When, on sending him to earth,  
Within the noble breast he placed  
A heart magnanimous:  
*Charity*, sublime *Charity*,  
Comfort of the unhappy and the glad  
Which makes man divine and redeems him;  
Which among the thousand gifts that make him great  
Is the greatest gift, which makes him good.<sup>25</sup>

Some of Meiggs's friends initiated a movement to raise money for a monument to his memory. The matter was discussed in the Municipal Council of Lima and commented on in the press,<sup>26</sup> but critics appeared and finances were difficult; so the movement came to naught. The only monument to Henry Meiggs which the writer found in Peru is the granite boulder in the General Cemetery—which was not erected by the public.

But, from another point of view, he had his monument. The writer who was quoted above on the timeliness of Meiggs's death, also wrote, "The ruin of Peru is the monument of Henry Meiggs." He quoted the Peruvian Minister of the Treasury as saying to a body of leading Peruvians that "The extensive railroad loans had caused the complete financial ruin of Peru," and went on to say:

<sup>25</sup> Sept. 30, 1878.

<sup>26</sup> See, e.g., *El Comercio*, Nov. 12 and Dec. 22, 1877.

In order to ruin the nation, Meiggs corrupted it. Like Vanderbilt and Gould, he ruled in council as well as private life. He bought legislation with an open hand and stinted no price in the buying. The bargain and sale attendant on the passage of his schemes in the national government was incredible. From the President of the Republic down, he counted the most trusted officials among his boughten minions, and the besotted people went mad with cheering while their ruin was being purchased with their own gold.<sup>27</sup>

One must admit that these statements contain much truth. However, while it is true that Meiggs did not campaign for a betterment of Peruvian public or private morals, it can no more be said that he was responsible for all of the country's corruption than it can be said that Vanderbilt and Gould were the originators of all of the corruption which was to be found during their time (contemporary with Meiggs's) in the public men and private individuals in the United States. Henry Meiggs found sufficient corruption among Peruvians when he went up to Lima in 1868. The existing situation was perfectly adapted to his ends, and he took full advantage of it—and that without scruple. There is much truth in the assertion that the railroads ruined Peru, but there, too, Meiggs was not by any means solely blameworthy. He was assisting the Peruvians in the realization, presumably, of what had long been a dream of many. It was not Henry Meiggs who persuaded the Peruvians that they needed railways—unless it be that the completion of the Santiago-Valparaíso Railway could be called such persuasion. They persuaded themselves, initially, and invited Don Enrique to come to Peru and build them. It is true, however, that Meiggs's skill in propaganda and his wonderful imagination greatly extended their notion of what they needed in the way of railways.

To say that the railroads ruined Peru is to look at the matter superficially. What ruined Peru was its lack of wise statesmen, its surplus of grasping politicians, of people who, as González Prada declared, would have thrown themselves into

<sup>27</sup> From a clipping found among the Meiggs Papers. Neither the name of the newspaper nor the date appears, but material on the reverse establishes it as a New York paper and internal evidence proves it to have been printed in the early 1880's.

an open sewer if they had glimpsed at its bottom a golden *sol*. And that condition must be seen as a part of the historical process. The Peruvian generation of Meiggs's day was—as was Henry Meiggs himself—a product of history. Given the long period of colonialism, the radical diversity of race, and the physical conditions of the country, one can understand why they were such as they were—though he may not admire them.

And, in retrospect, it may be said that the railways have been of some positive value to the country. Those which Meiggs began have been completed, and some others have been built. They have not brought in from abroad multitudes of immigrants as it was prophesied would be the case, nor have they eliminated racial friction and produced an enlightened electorate in the country of Manco-Ccapac. Neither have they brought a great many of the other goods which their proponents claimed for them. But they have, over an extended period of time, assisted in the development of the mining and agricultural resources of the nation. They would have come to Peru if Henry Meiggs had never appeared on the scene and wrestled with the Andes, but they would surely have come much later.

However, it is true that those that were first built were secured at far too great a cost. The greatest single item of that cost must be associated with the war with Chile. Already in a near-bankrupt condition when the war was begun in 1879, the country was unable to meet the invader on anything like equal terms. As a consequence it suffered a humiliating defeat and the loss of much valuable territory. A statesmanship which had been content to advance more slowly in domestic matters and to devote a portion of the nation's wealth and energy to the maintenance of its international position and its means of defense would perhaps have avoided this loss. It is an item which must be charged to the financial orgy of the decade 1869-1879. And Henry Meiggs must bear his share of the responsibility.

Henry Meiggs has no public monument in Peru—and he deserves none. His personality was engaging and persuasive—and sometimes was used in the pursuit of unadmirable ends.

He was personally generous and he gave much to others—some of it, quite probably, with calculation. In many ways he was a remarkable man. His ideas were always on the grand scale—he thought in millions or hundreds of millions and he acted accordingly. He was exceedingly resourceful, and by great energy and will power he surmounted many difficulties which would have defeated a man of less stature. Even the Peruvian *El Nacional*, a consistent critic, said of him after his death that it would have to be recognized that he possessed “a privileged intelligence and a will such as few had for the realization of great undertakings.”<sup>28</sup> He was no engineer, but he was a great contractor. He knew how to choose and manage men. One must marvel at the man’s daring and his great activity and wide-reaching interests. In some respects it is possible to admire him. But, to achieve success with his large ideas, he was willing to, and did, commit forgery in San Francisco. And later, in Peru, finding a corrupt society, he seized on the corruption, made use of it, and encouraged its continuance as a possible means of realizing other large ideas. That he encountered almost uniform financial failure—the only exception being in Chile, where, apparently, he acted with entire honesty—may be said to have been a matter of poetic justice.

The most charitable summation that can be made of his life is to say that he was a product of his era—the era that produced Vanderbilt, Astor, Brady, and Barnum—and that, while he was in many ways a scoundrel, he built some remarkable railways.

<sup>28</sup> Oct. 1, 1877.



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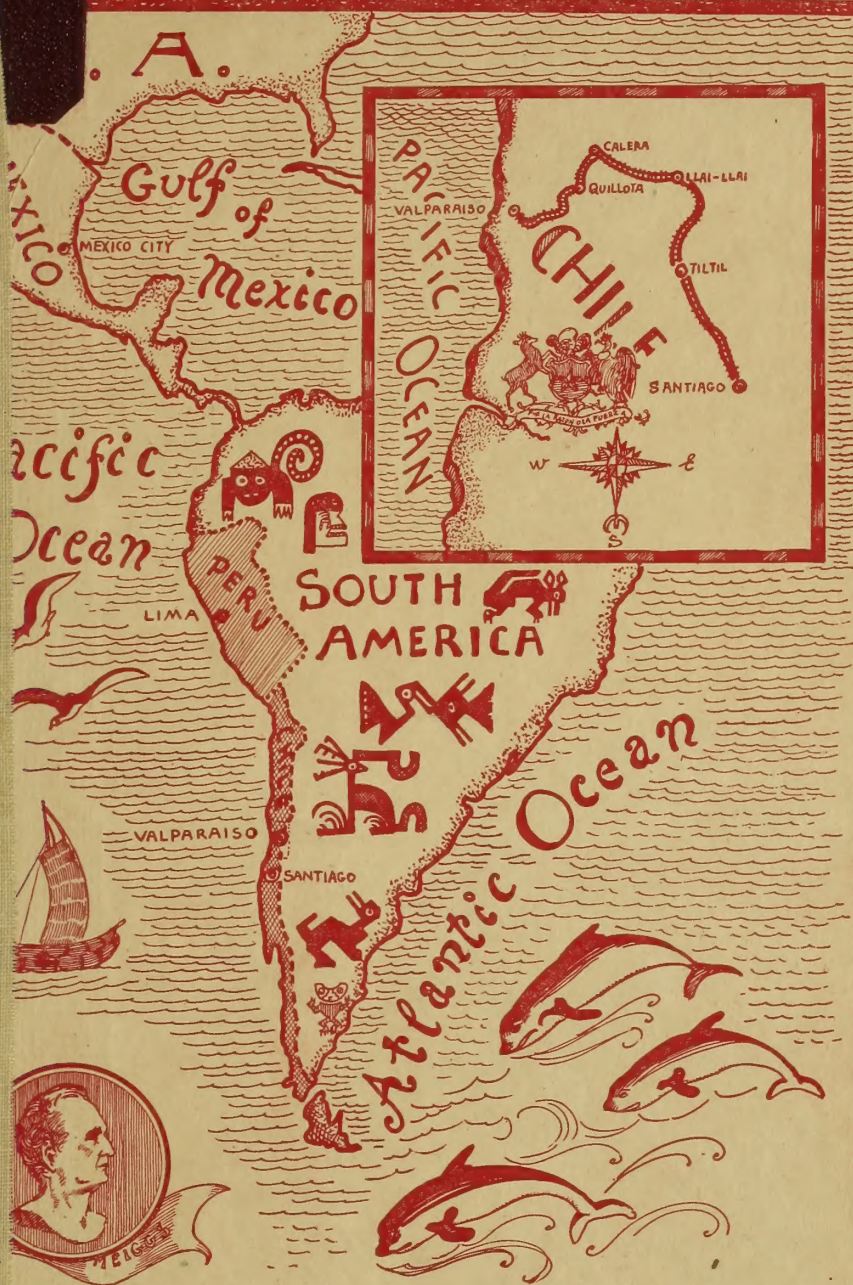
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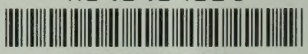






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